

Financial Contributions of ccTLDs to ICANN

Report of the 2nd Financial Working
Group to the ccNSO Council

XX Month 2025

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0. Executive Summary

In December 2024, the ccNSO Council established a second Finance Working Group and tasked it with the following responsibilities:

- Review the 2013 value exchange model model and related monetary model underpinning the current (2013) financial contribution;
- Explore the discrepancy between the aggregate level of financial contributions by the ccTLDs and the total amount the ccTLD community considered to be reasonable to contribute to ICANN in 2013
- Explore and suggest ways to address the discrepancy between total contributed amount and expected amount.

The working group reviewed the exchange model and financial underpinning (cost model). Based on the review, the cost model (formerly the “monetary model”) has been updated and the total expected contribution amount is USD \$ **3.6 million** (under the 2013 Guideline and first review it was: USD \$ 3.5 million¹)

To explore the discrepancy between the level of aggregate actual contributions and the level of contributions that is considered reasonable, the WG undertook an analysis of the evolution of the financial contributions of ccTLDs over time, first by consulting ccTLDs during ICANN82 in Seattle and in May through a survey. A major conclusion of the analysis is that, under the main principle of the voluntary nature of the financial contributions, a change in models will not make a substantial difference in closing the gap. Based on the consultations the WG believes that a more segmented and personalized approach by ICANN of the ccTLDs could make that difference. Taking into account the diverse characteristics of ccTLDs (such as size, operating environment, governance model, and budgeting cycles) such an approach emphasizes both the value exchange between each ccTLD and ICANN, and the core values, such as the IANA Naming Function services, that are important to ccTLDs..

Finally, based on the review of the cost model, the results of the fact finding, and the consultations, the WG reviewed the current (2013) contribution guideline, both the principles and banded model. The WG believes there is no support nor need for substantive changes, however a refinement of both is proposed. The principles have been updated and now include the call for ICANN for a more segmented and personalized approach. With respect to the banded model, the lowest and highest bands will remain the same (USD 500 to USD 225.000), but the WG will propose more bands.

¹ <https://archive.icann.org/meetings/buenosaires2013/en/schedule/sun-finance/presentation-finance-final-17nov13-en.pdf>

1. Introduction

At its meeting in Istanbul (ICANN81), in November 2024, the ccNSO Council noted:

1. The [ccNSO Financial Guideline](#)², which was adopted in November 2013, needs to be reviewed at a minimum every 5 years. The first review was undertaken in November 2018, resulting in an improvement of the invoicing process.
2. The core principles of the Guideline as developed by the [former Finance WG](#)³, the underlying [value exchange model and related monetary model](#)⁴, and the discrepancy between the aggregate level of financial contributions by the ccTLDs and the total amount the ccTLD community considered to be reasonable to contribute in 2013 and in 2018.
3. The second review should be conducted by a working group in close collaboration and assisted by ICANN Finance, in line with the manner in which the former Finance WG operated.
4. This new group should inform and consult the ccTLD community at the ICANN meeting in Seattle (ICANN82) and make recommendations to the community and Council by ICANN83 in Prague.

To make this possible the following activities were suggested:

- The second finance working group should focus on reviewing the current value exchange model and related monetary model underpinning the current financial contribution guideline with the assumption that it will be confirmed. However, if deemed necessary because of important shortcoming(s) in the current model, the group should explore and suggest possible alternative models.
- Explore, review and propose various financial contributions models, including the current banded contribution model, to be considered by the community and Council
- Explore and suggest ways to address the gap between the total actual contributions and the level considered reasonable, while maintaining the voluntary nature of those contributions.

In this report the second finance working group presents the results of its work. As requested the working group reviewed the value exchange model and financial underpinning (cost model). The results of this review are represented in section 2.

To explore whether other contribution models or an update of the current contribution would address the discrepancy between level of aggregate actual contributions and level of contributions that is considered reasonable, the WG undertook an analysis of the evolution of the financial contributions of ccTLDs over time, by consulting ccTLDs during ICANN82 in Seattle, and through a survey. The results of this analysis are presented in section 3.

² https://ccnso.icann.org/sites/default/files/filefield_42805/guidelines-ccld-contributions-27nov13-en.pdf

³ <https://ccnso.icann.org/en/workinggroups/finance-wg.htm>

⁴ <https://archive.icann.org/meetings/buenosaires2013/en/schedule/sun-finance/presentation-finance-final-17nov13-en.pdf>

Finally, based on the results of the analysis, and the cost model, the WG reviewed the current contribution guideline, both the principles and the banded model. The results are presented in section 4.

Based on this review, and taking into account the results of the analysis, the WG believes that under the basic principle that ccTLD contributions to ICANN are voluntary, a refinement of the contribution model may help close the gap between expected financial contributions and actual contributions. However, the WG also believes that additional actions are needed. The core of these suggested actions is a segmented outreach and engagement approach, based on the different characteristics of ccTLDs (size, operating environment, governance model, budgeting cycles, etc.), included in Annex C.

2. Review of Cost Model

In this section an overview is provided of the review of the value exchange between the ccTLDs and ICANN and the Costing model that was developed in 2013 underpinning the exchange model. The WG believes this is still a valid approach and the most appropriate way to assess the total financial contribution of ccTLDs.

Next, the financial impact of the costing model was evaluated by the Finance WG. The result of the evaluation are described below and reflect the most current information available to the WG⁵. Accordingly, the WG is of the view that the total expected contribution from the ccTLD community to ICANN is reasonable and reflects the roles of ICANN and ccTLDs.

#	Value Categories	Amount (in USD millions)	Notes
1	Specific Costs	\$ 1.1	Policy development and Secretariat Support Team, ccNSO Travel support.
2	Shared Costs	\$ 3.1	Activities and categories of costs that benefit ccTLDs and others in the ecosystem, directly benefiting from these activities.
3	Shared Costs (ccTLD Host In-Kind service)	(\$ 0.6)	An offset or reduction in the cost model as these services are a benefit to ICANN.
4	Global Costs	Considered mutually equivalent	ccTLDs strengthen ICANN's legitimacy, ICANN provides ccTLDs access to a global platform.
Total		\$ 3.6	

1. Specific Costs- \$1.1M

Specific costs directly relate to and support the ccTLDs . These costs include:

1. Policy Development Support Team
2. Secretariat Support Team
3. ccNSO Travel Support (17 out of 219 slots of community travel to public meetings)
4. Overheads (15%, based on FY25 Budget). ICANN org services that support all programs but which are not directly attributable to a program or project. These services provide the infrastructure and support that any organization would need to run a company/business.

2. Shared Costs- \$3.1M

Shared costs represent activities and categories of costs that benefit ccTLDs and others in the ecosystem, directly benefiting from these activities. In the ccTLD Shared Cost Model, a portion of these costs are captured as the ccTLD Community are not the only entities benefiting from these activities.

⁵ ICANN's FY 26 budget and cost estimates local hosts over the most recent ICANN meetings

1. Governance \$660K
 - a. Includes Board support, NomCom, Ombudsman.
 - b. These costs are projected to be \$5.3M in FY26.
 - c. In the ccTLD Shared Cost Model, 12% of these costs are calculated to be related to as benefiting the ccNSO. The 12% is derived by calculating the number of voting Board members selected by the ccNSO (2) as a percentage of total Board members (16).

2. ICANN Meetings \$870K ([Link to ICANN Budget](#))⁶
 - a. Includes venue, ICANN staff and Board traveling, external logistics/support, scribing. Excludes ICANN staff costs and also excludes “ccNSO travel support” included in section 1.
 - b. These costs are projected to be \$13.6M in FY26.
 - c. In the ccTLD Shared Cost Model, 6% of these costs are calculated as benefiting the ccTLD community. The 6% is derived by calculating the average ccNSO attendance at an ICANN meeting (125) as a percentage of total attendees (1,960).

3. IANA Naming Function \$1,155K
 - a. IANA Naming Function ([Link to IANA budget](#))⁷. These costs are projected to be \$5.4M in FY26. The IANA budget consists of costs pertaining to the Names (~60%), Numbers (~15%), and Protocol Parameters (~25%). For the purposes of this exercise only the Naming Function costs have been used included in the ccTLD shared cost model
 - b. In the ccTLD Shared Cost Model, 21% of the total IANA Naming Function costs are calculated as benefiting the ccNSO. The 21% is derived by calculating the number of ccTLDs (309) as a percentage of total TLDs (1,445).

4. IDN \$420K ([Link to ICANN Operating Plan](#))⁸ (Functional Activity of Operating Plan contains information pertaining to ICANN's efforts on IDNs)
 - a. Includes ICANN staff time and third-party IDN researchers and panelists.
 - b. These costs are projected to be \$1.0M in FY26.
 - c. In the ccTLD Shared Cost Model, 40% of these costs are calculated as benefiting the ccNSO. The 40% is derived by calculating the number of ccIDNs (61) as a percentage of total IDNs (151).

3. Shared Costs, ccTLD Host In-Kind Service Costs- (\$0.6M)

ccTLD Host In-Kind Service costs are an offset or reduction in the cost model as these services are a benefit to ICANN. These costs have been estimated based on feedback from members in the ccNSO. These costs vary by meeting and level of effort/support from the host country. This

is a challenging cost to estimate due to the difference by meeting. Further discussion with the ccNSO is needed on this topic. The suggestion is that we reach an understanding to

⁶ <https://www.icann.org/en/system/files/files/adopted-icann-budget-fy2026-published-2025-en.pdf>

⁷ <https://www.icann.org/en/system/files/files/adopted-iana-op-plan-budget-fy2026-published-2025-en.pdf>

⁸ <https://www.icann.org/en/system/files/files/adopted-icann-op-financial-plan-fy2026-2030-op-plan-fy2026-published-2025-en.pdf>

approximate this cost as it is very dependent on circumstances which change by location and event.

4. Global Costs- Not Measured

Global costs are considered mutually equivalent. Global costs include items such as ICANN providing ccTLDs access to a global platform to conduct work while ccTLDs strengthen ICANN's legitimacy in the multistakeholder model.

3. Actual Contributions vs. Expectations

1. Fact finding

To gain a better understanding on how the ccTLD contributions to ICANN evolved since the 2013 ccNSO Guideline became effective, the WG has undertaken an initial analysis of contributions related to the diversity of the ccTLD community. Specifically the WG looked at contributions:

- Over time as ccTLD community
- Per ICANN region
- Per (governance) category
- Per ccNSO Membership vs non - membership
- Per Agreement and Non-agreement

The WG believed that a focus on diversity was needed, to better understand whether the financial contributions of ccTLDs to ICANN reflected the diversity of the ccTLD community, irrespective of their size.

Based on this analysis, the WG found that a one-size-fits-all approach should not be recommended.

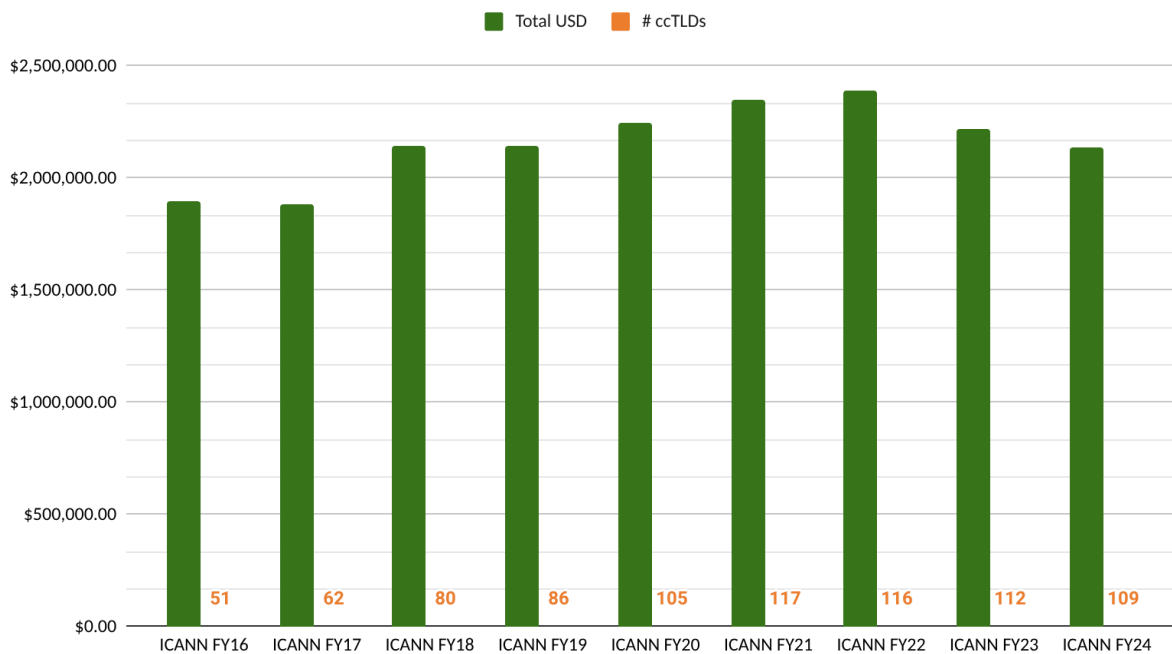
a. Contributions over time

Graph 1 below presents data on both the number of ccTLDs who contributed and the total amount collected during Fiscal Years 2016 through 2024. It is important to note that the composition of contributors was not consistent across the years; different ccTLDs participated in different fiscal periods.

In 2013, the ccTLD community expressed its support for the Cost Model, including both the total target amount of financial contributions (\$ 3.58 million) and the voluntary, banded structure for determining individual contributions. However, since that time, the community has not consistently met this financial commitment.

Graph 1 contributions over time

Contributions & #ccTLDs



b. Contributions per region

The graph 2.1 below illustrates the number of ccTLDs delegated in the IANA database by ICANN region, alongside the number of ccTLDs who made contributions - whether regularly or irregularly - during Fiscal Years 2016 through 2024.

There are 309 ccTLDs delegated in the IANA database, including IDN ccTLDs. 138 ccTLDs have contributed over time, equivalent to 44.7% of ccTLDs

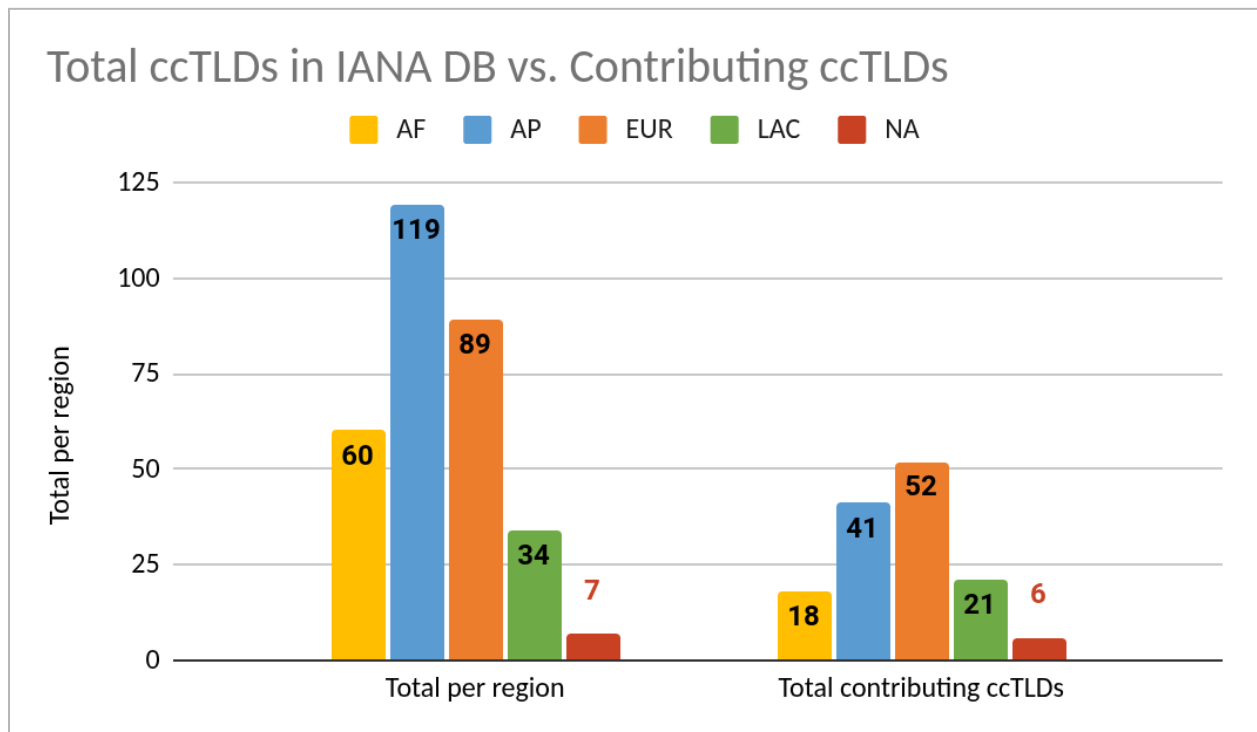
Percentage of contributing ccTLDs over time:

- AF: 30%
- AP: 34.5%
- EU: 58.4%
- LAC: 61.8%
- NA: 85.7%

Graph 2.2 illustrates the number of IDN ccTLDs delegated in the IANA database by ICANN region. Note that the ICANN Bylaws Amendments in 2022 enabled IDN ccTLDs to become ccNSO members.

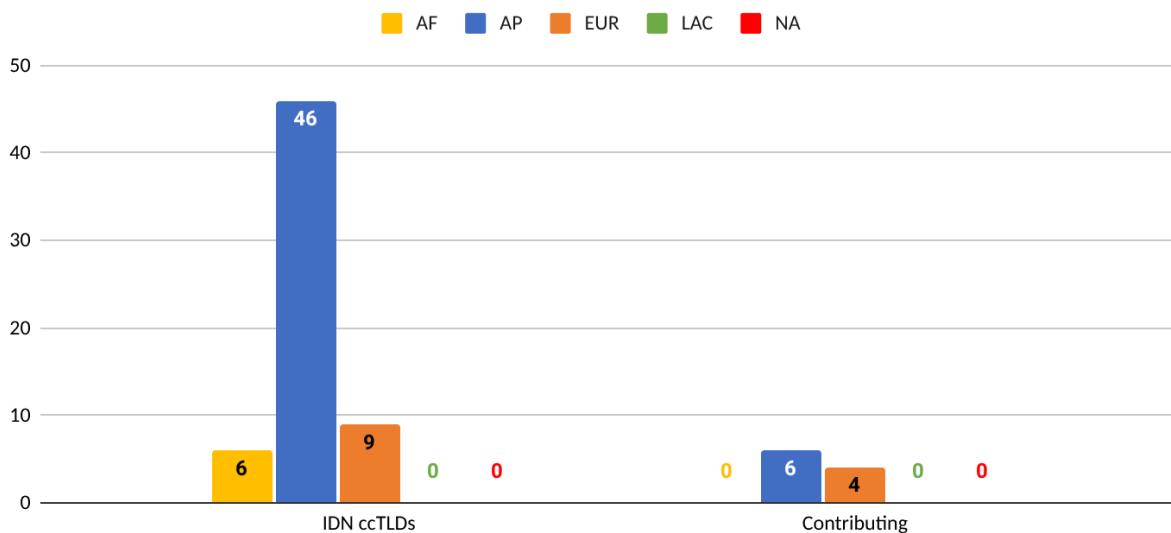
From 61 IDN ccTLDs delegated, 10 IDN ccTLDs have contributed over time, equivalent to 16.4% of IDN ccTLDs.

Graph 2.1 - Regional variance



Graph 2.2 - Regional variance IDN ccTLDs

Total IDN ccTLDs and Contributing IDN ccTLDs



c. Contributions per governance structure

Based on a high-level classification of governance structure of ccTLD Managers, the WG identified the following categories:

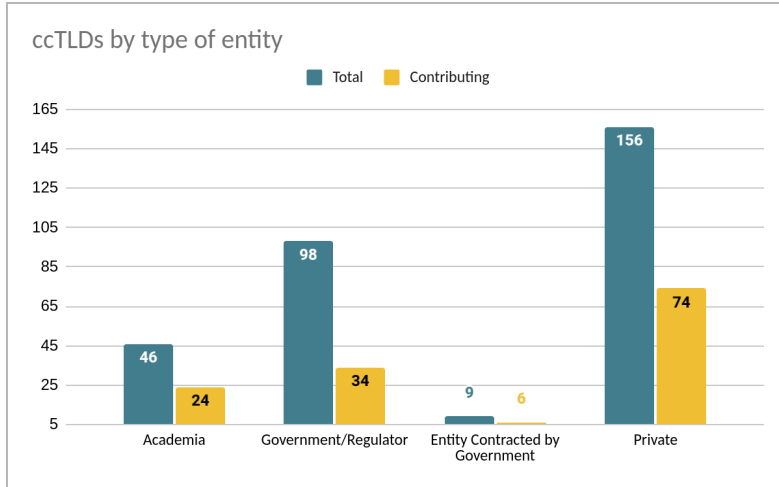
- Academia (public or private)
- Government/Regulator related
- Entity Contracted by Government
- Private (includes for profit, not for profit like foundations, other)

Graph 3 displays the total number of entities within each category, along with the number of entities that made contributions - whether on a regular or irregular basis - during Fiscal Years 2016 through 2024.

Percentage of contributing entities over time:

- Academia: 52.2%
- Government/Regulator: 34.7%
- Entity Contracted by Government: 66.7%
- Private: 47.4%

Graph 3 - Variance per governance structure



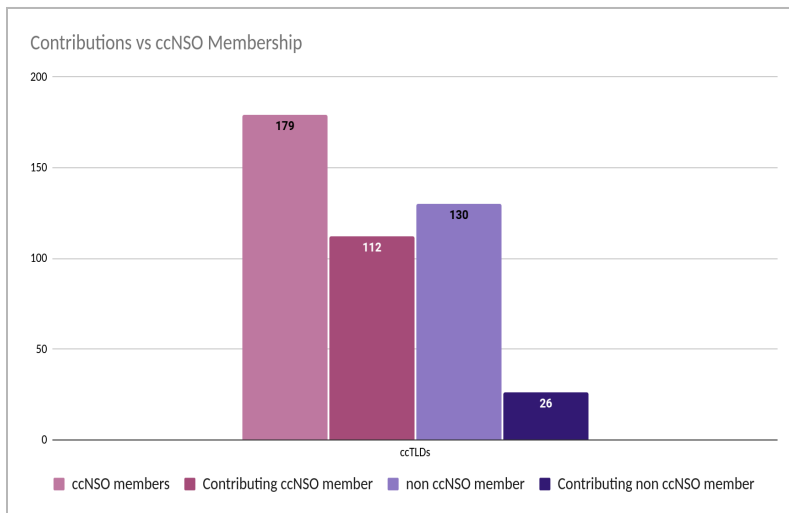
d. Membership, non-membership

Graph 4 illustrates the number of ccTLDs members and non-members of the ccNSO, alongside the number of ccTLDs who made contributions - whether regularly or irregularly - during Fiscal Years 2016 through 2024.

Percentage of contributing ccTLDs through time:

- ccNSO Members: 62.6%
- Non-members: 20.0%

Graph 4 - contributions ccNSO membership

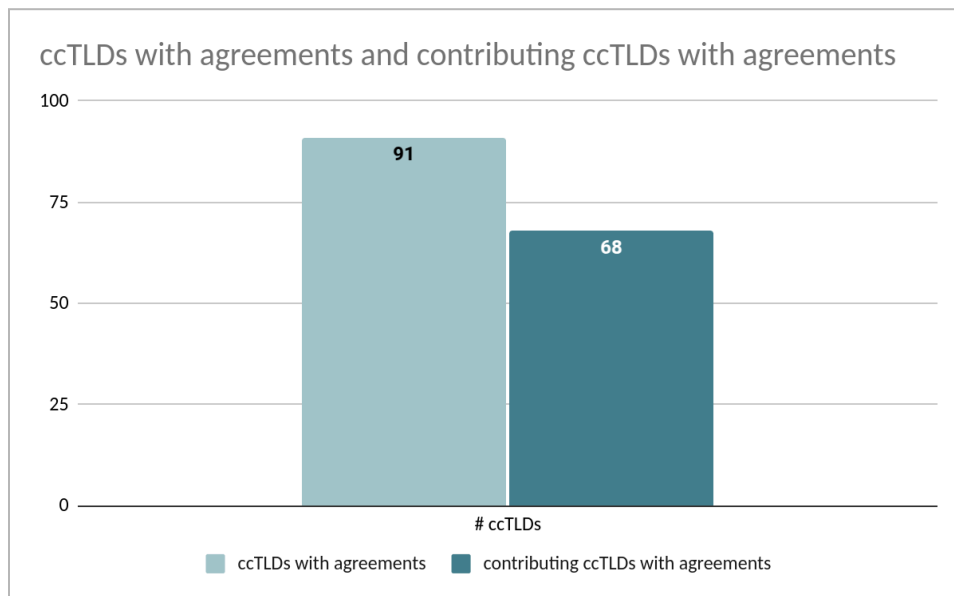


e. ccTLDs with agreements with ICANN

Graph 5 illustrates the number of ccTLDs with agreements with ICANN, alongside the number of those ccTLDs with agreements who made contributions - whether regularly or irregularly - during Fiscal Years 2016 through 2024.

74.5% of ccTLDs with agreements contributed through time.

Graph 5 - ccTLD with agreements



2. ICANN82 Session & Survey Highlights

To gain a better understanding of the motivations of ccTLD Managers whether to contribute and the variance of their contribution over time, the WG consulted ccTLDs present in Seattle (ICANN82) and taking into account the results of this consultation, conducted a survey.

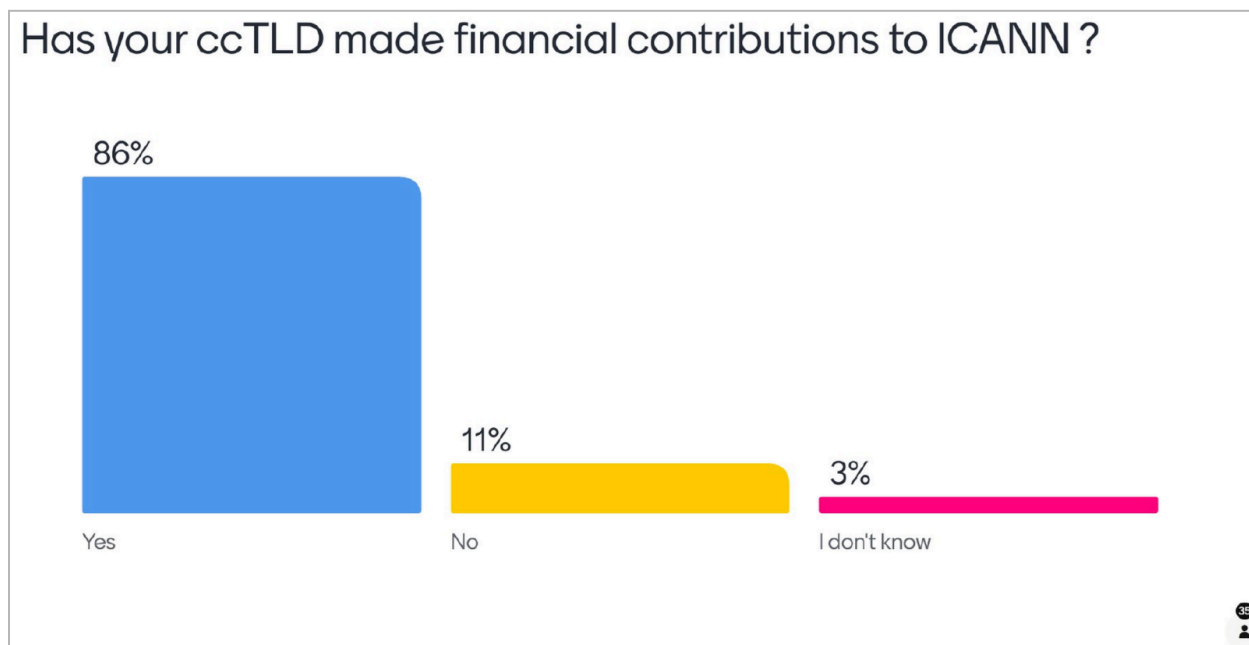
The WG is very aware that neither the outcome of the consultation, nor the results of the survey, are representative of the whole ccTLD community. For one, the number of non-contributors were underrepresented. However the WG does believe that the ICANN82 consultation and survey provided insights into the motivations of ccTLDs to voluntarily financially contribute to ICANN.

a. Outcome ICANN82 consultation

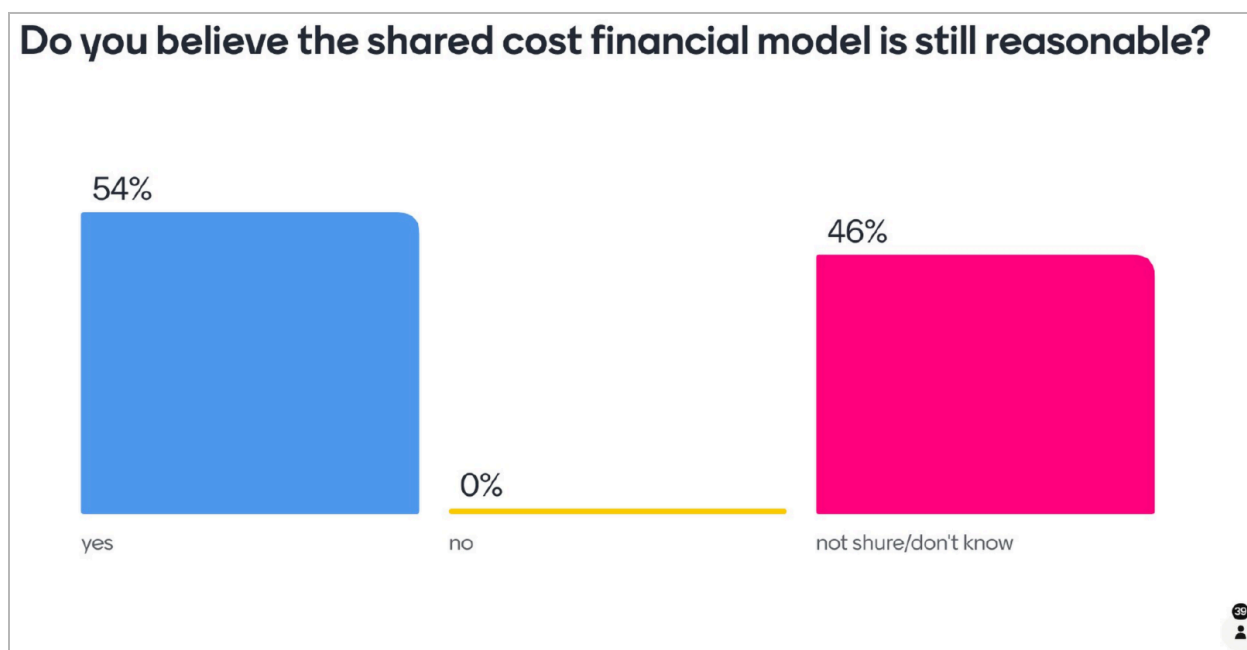
The ICANN82 consultation was part of the Fiance WG session in Seattle. The goal of the session was to inform the community on progress and seek initial feedback from the community present.

The consultation was conducted through a series of questions (open and structured), and a conversation about the outcome of the questions to gain better insight into the contribution behaviour of ccTLDs.

Graph 6 - Has your ccTLD made financial contributions to ICANN?



Graph 7 - Do you believe the shared cost financial model is still reasonable?



What are we missing - other reasons for your financial contributions?

Respondents highlighted a broad range of motivations for contributing financially to ICANN. Key themes included:

- **Support for ICANN's Mission and Values:** Many contributors expressed alignment with ICANN's mission, particularly in defending and promoting the multistakeholder model of Internet governance.
- **Shared Responsibility and Fairness:** Several emphasized a sense of responsibility to pay a fair share for services received and to contribute toward the sustainability of the ICANN ecosystem.
- **Community Engagement and Knowledge Exchange:** Contributions are seen as a way to support community-building, attend networking events, and exchange experiences among ccTLDs.
- **Capacity Building:** Support for initiatives benefiting smaller or developing ccTLDs was noted as a key driver.
- **Operational and Strategic Importance:** Some cited the importance of ICANN's role in DNS security, global interconnection, and providing a platform to stay informed about alternative TLDs.
- **Structural Suggestions:** One respondent proposed differentiated fee bands, including an option focused solely on the IANA contribution.

A minority of responses expressed skepticism or opposition, questioning the value of contributing or viewing the process as unproductive.

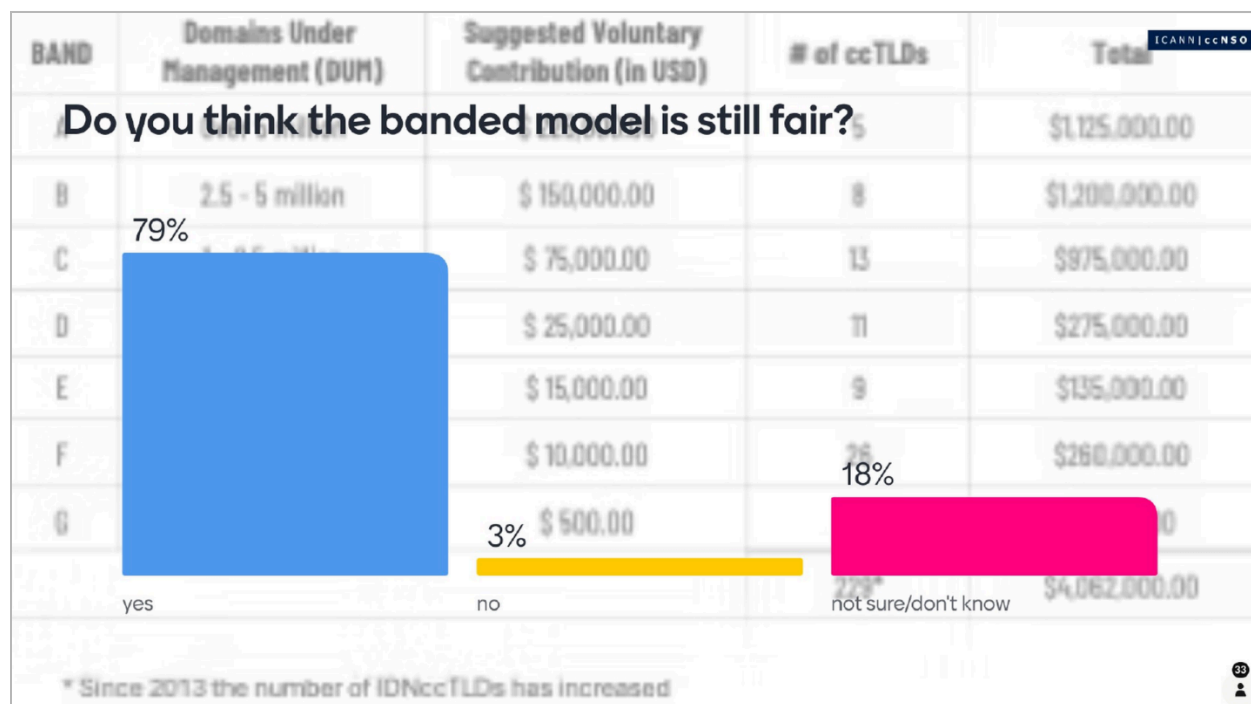
Why has your ccTLD changed its contribution over time?

Respondents cited a range of reasons for increasing, decreasing, or maintaining their contributions to ICANN, reflecting both positive engagement and areas of concern:

- **Increases Tied to Growth and Guideline Alignment:** Several ccTLDs reported increased contributions due to growth in domain registrations, which led them to move up a contribution band. Others noted increases as part of a general commitment to following ICANN's voluntary contribution guidelines and supporting the IANA functions.
- **Recognition of Value and Responsibility:** Some contributors cited a sense of fairness, responsibility, and long-term sustainability, aligning their contributions with the value of services received and the broader ICANN ecosystem.
- **Decreases Due to Internal and External Factors:** Other ccTLDs reported reductions in contributions. Reasons included organizational restructuring, limited resources, and inconsistent invoicing. A few noted that they decreased contributions due to dissatisfaction with ICANN's actions or behavior, particularly where there was a perceived lack of transparency or trust.
- **Evolving Trust and Reassessment:** Some respondents described a gradual increase in support as trust in ICANN improved over time, while others indicated their contributions would be reassessed annually, suggesting a cautious or conditional approach.
- **Neutral or Unclear:** A few respondents were unsure of the reasons for changes in contribution levels or cited changes without elaboration.

Overall, the data reflects a diversity of experiences and motivations, underscoring the importance of transparency, responsiveness, and continued dialogue between ICANN and the ccTLD community.

Graph 9 - Do you think the banded model is still fair?



What would you change about the contribution model?

Respondents offered varied perspectives on potential changes to the ICANN ccTLD contribution model, with suggestions ranging from structural adjustments to maintaining the status quo:

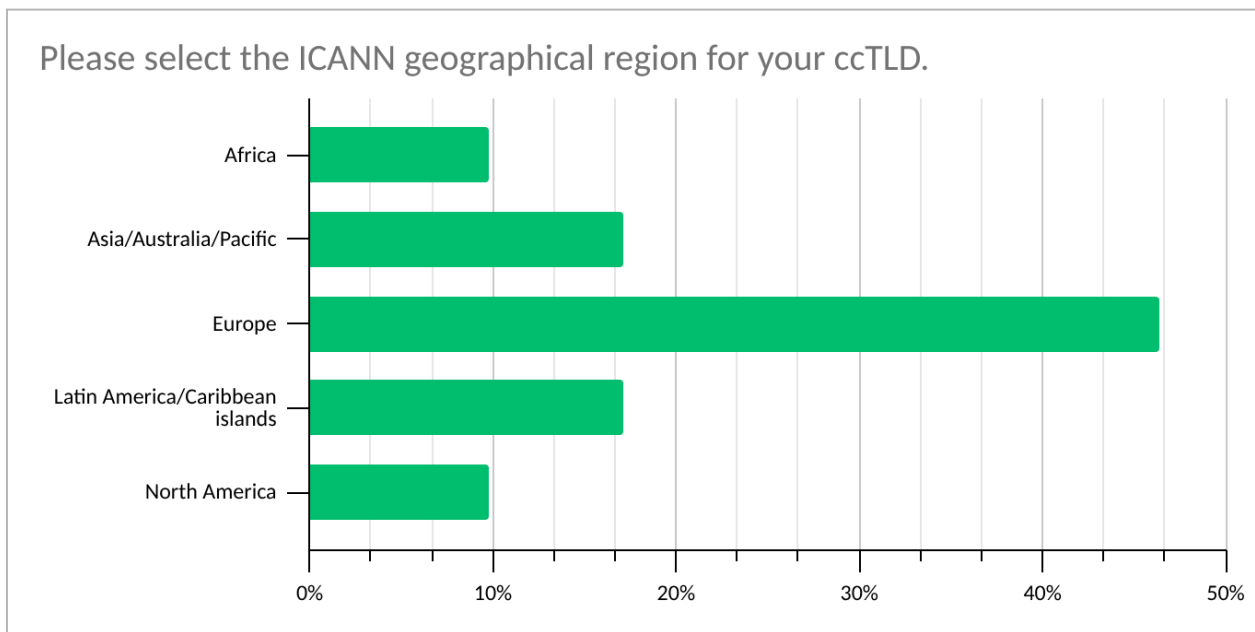
- Support for Refinement and Fairness:** Several respondents proposed improvements to enhance fairness and proportionality, such as replacing bands with a per-registration model, introducing more bands, or implementing a sliding scale based on registration volume. A few suggested refining the band structure to achieve a more logical graduation between tiers.
- Alternative Approaches:** Some contributors advocated for exploring multi-year commitments to improve financial stability, or evaluating whether a per-registration model based on upper band limits would generate more equitable and sufficient funding.
- Critical Views:** A minority questioned the effectiveness of the voluntary model itself, noting persistent shortfalls and limited participation by the broader ccTLD community. One respondent suggested eliminating the model altogether.
- Satisfaction with Current Model:** Several respondents expressed satisfaction, stating that no changes are needed or that the model is not the root issue.

Overall, the feedback reflects both a willingness to improve the model for greater fairness and sustainability, and an acknowledgment of its limitations, particularly in terms of voluntary participation.

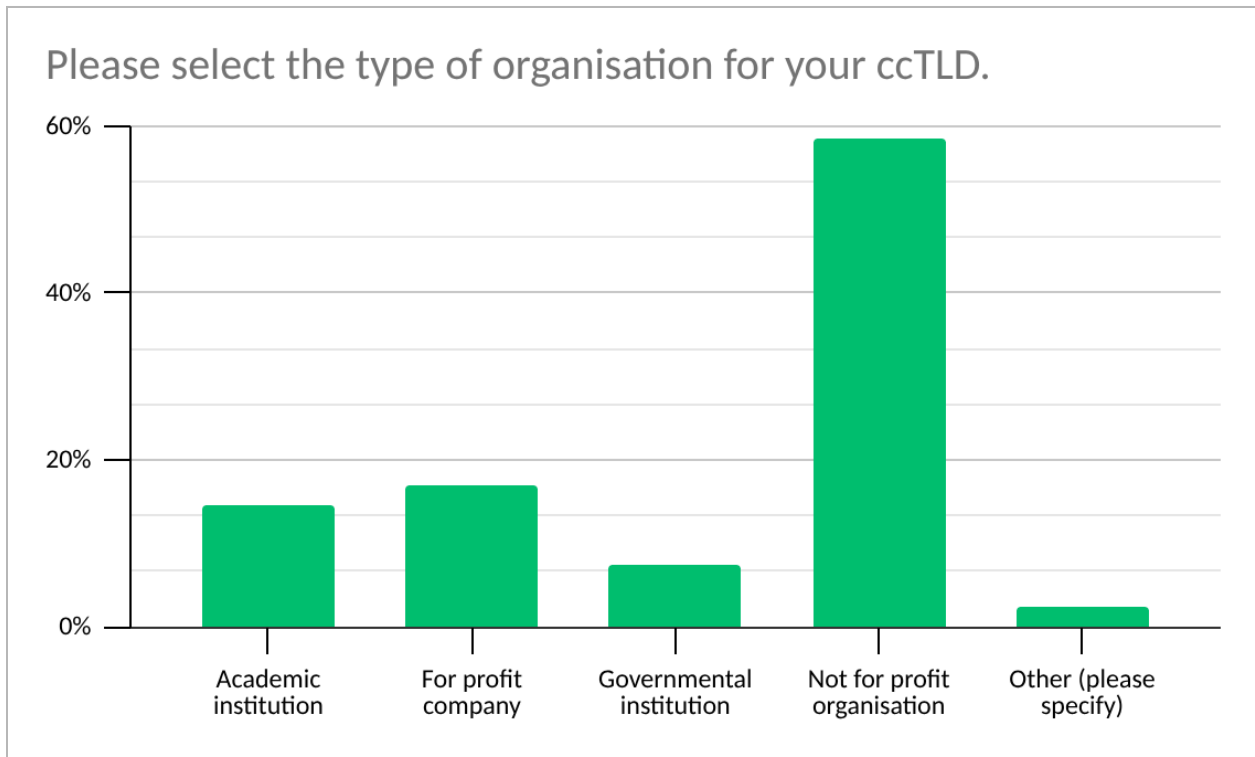
b. Summary of survey results

To gain further insight and to support the initial findings of the consultation, the WG conducted a survey of the ccTLD community from 29 April to 13 May 2025. As stated the WG notes that the results are not representative. The private sector is over represented, as well as the ccTLDs from Europe, and those ccTLDs who already contribute and the ccTLD within the range of 60,000 to 1.2 million domain names under management. However, the WG believes that the results of the survey, and specifically the individual responses, provide insights into behaviour of ccTLDs with respect to their voluntary financial contribution to ICANN. These insights have been used to adjust the contribution model, and to make the additional recommendation to close the gap between ccNSO contribution model and ICANN's invoicing process.

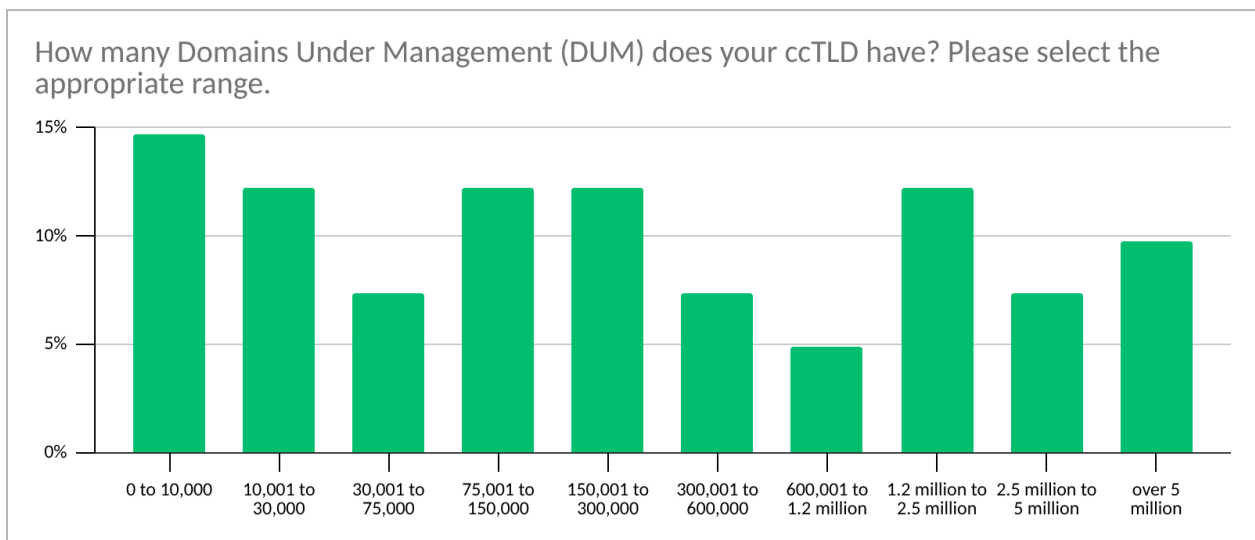
Graph 10 - ICANN Geographical region



Graph 11 - Type of organisation

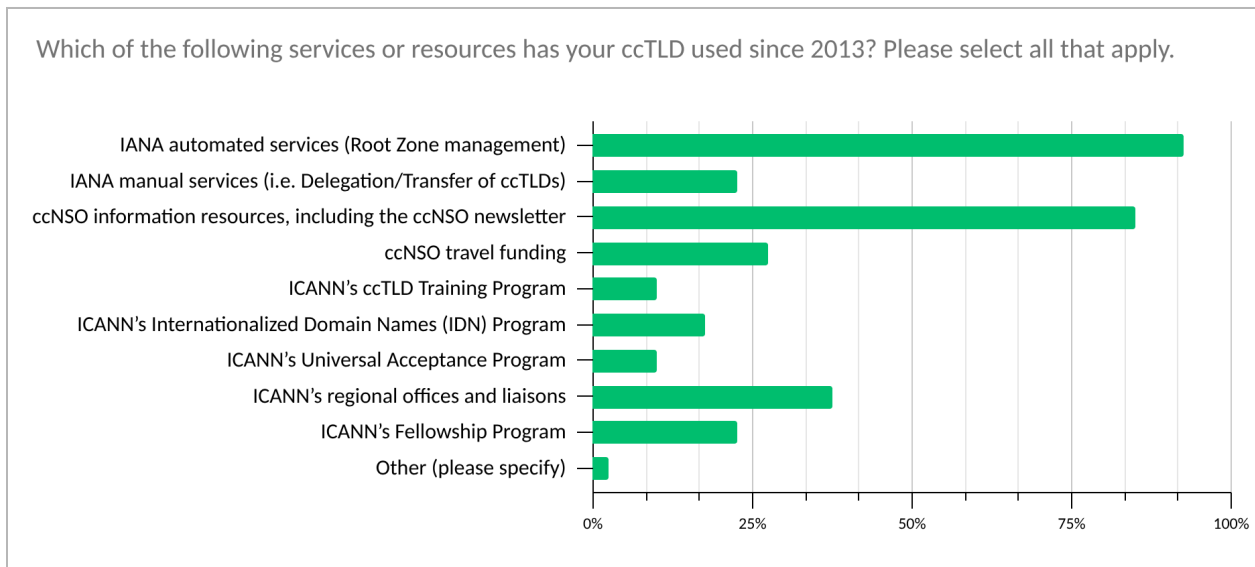


Graph 12 - Domains Under Management



The graph above supports the proposal to increase the number of voluntary contribution bands by introducing narrower thresholds. While these bands function primarily as guidelines, the working group believes that more granular representation tiers can serve as an incentive for ccTLDs to contribute.

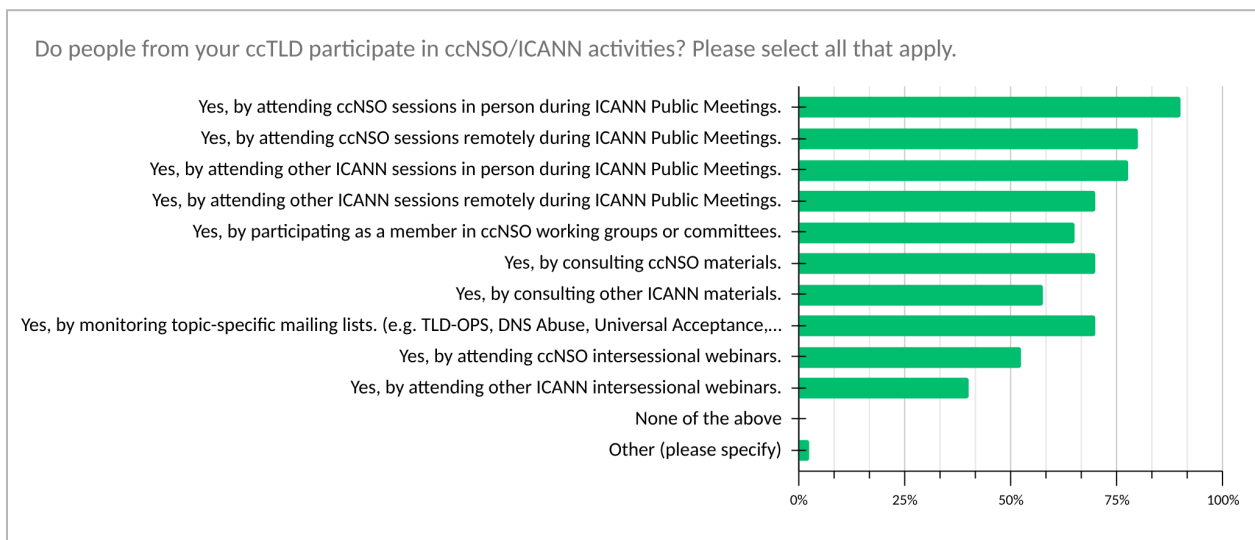
Graph 13 - Resources used



It is clear that the most used resources are:

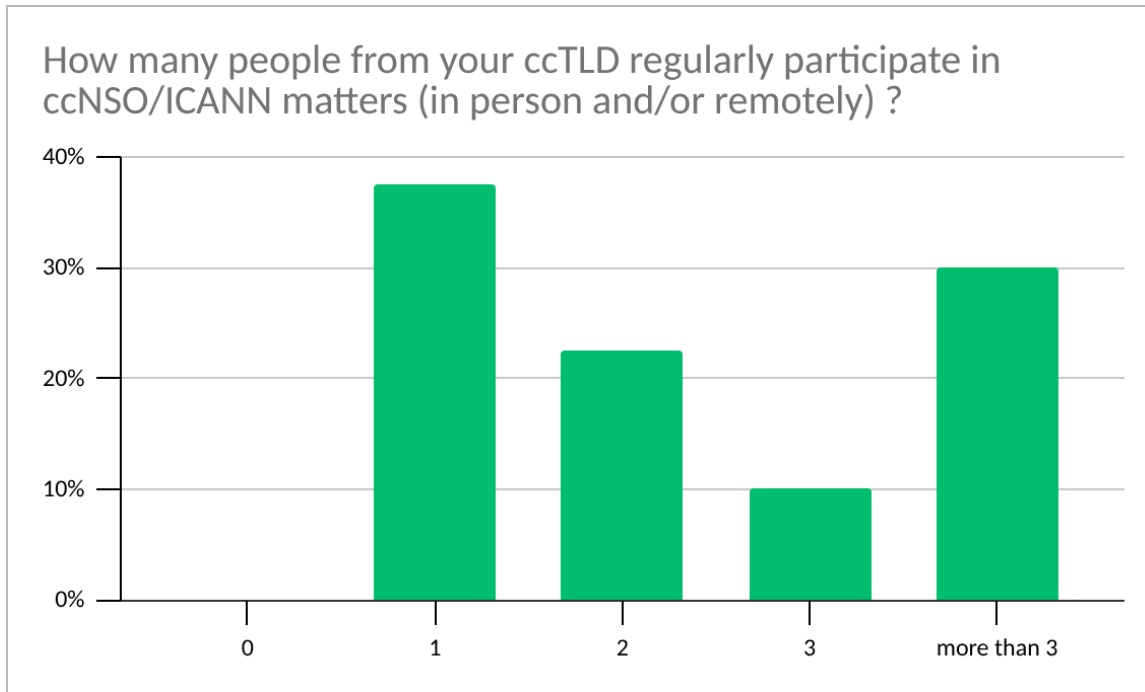
1. IANA automated services
2. ccNSO information resources
3. ICANN regional offices and liaison

Graph 14 - Participation in ccNSO/ICANN activities



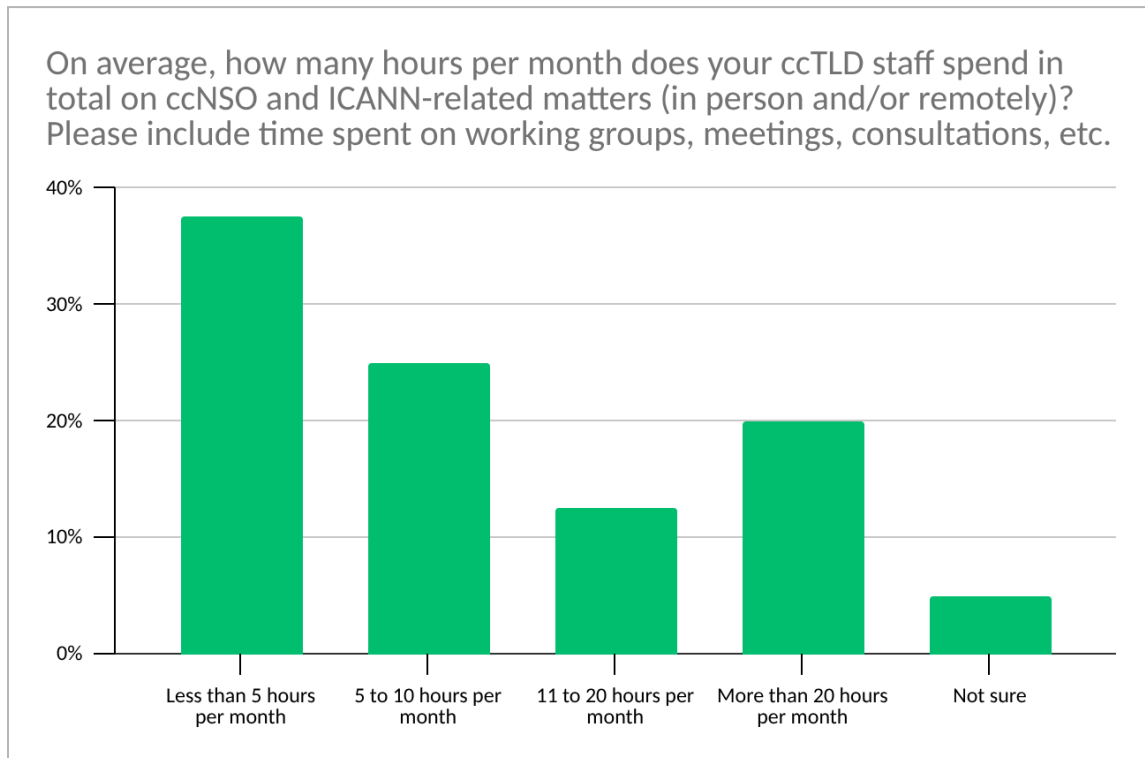
Respondents are active participants in the ccNSO/ICANN ecosystem.

Graph 15 - Amount of people from a ccTLD that regularly participates in ccNSO/ICANN



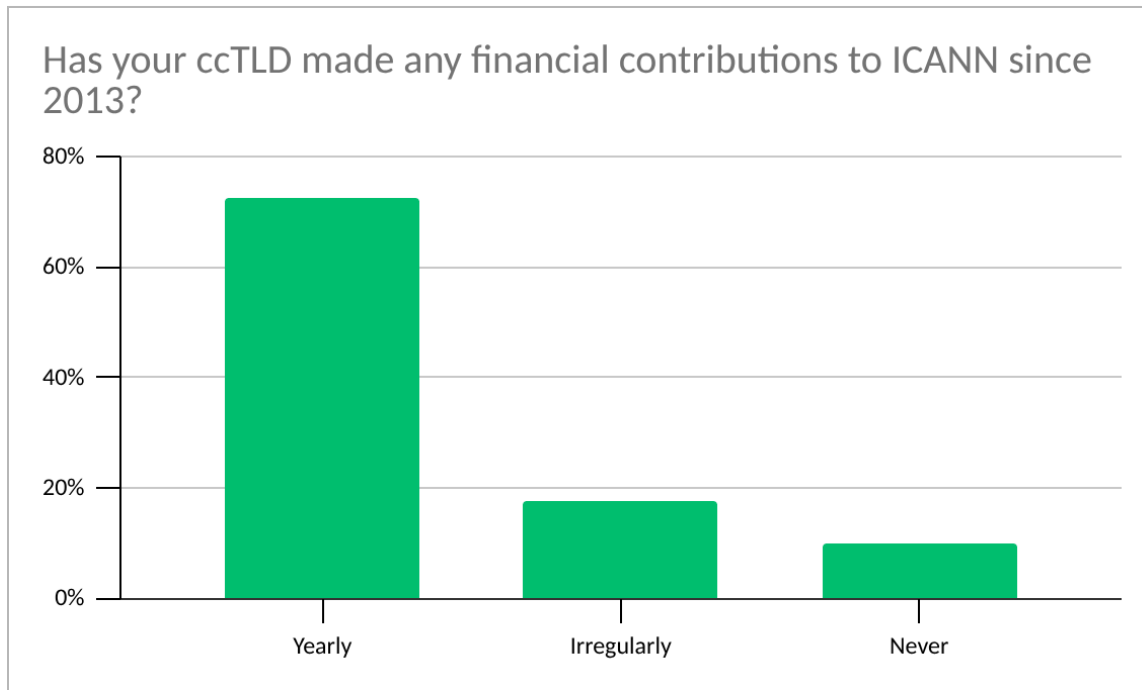
Respondents are active participants in the ccNSO/ICANN ecosystem.

Graph16 - Average hours per month that ccTLD staff spend in ccNSO/ICANN matters



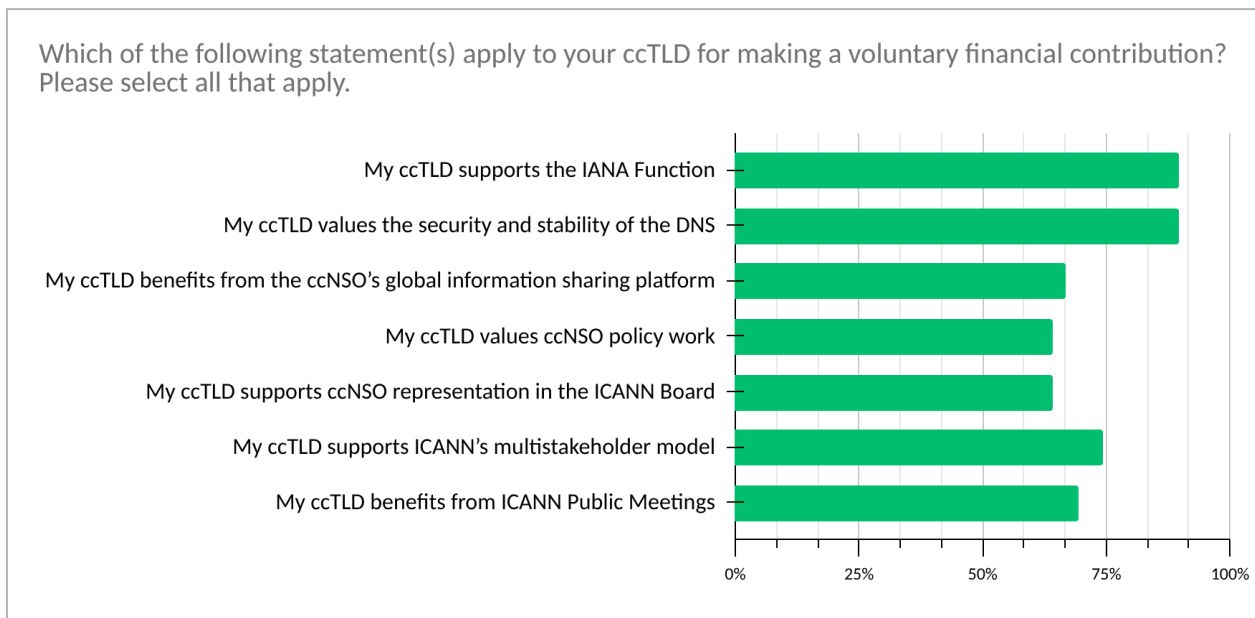
Respondents are active participants in the ccNSO/ICANN ecosystem.

Graph 17 - Financial contributions since 2013

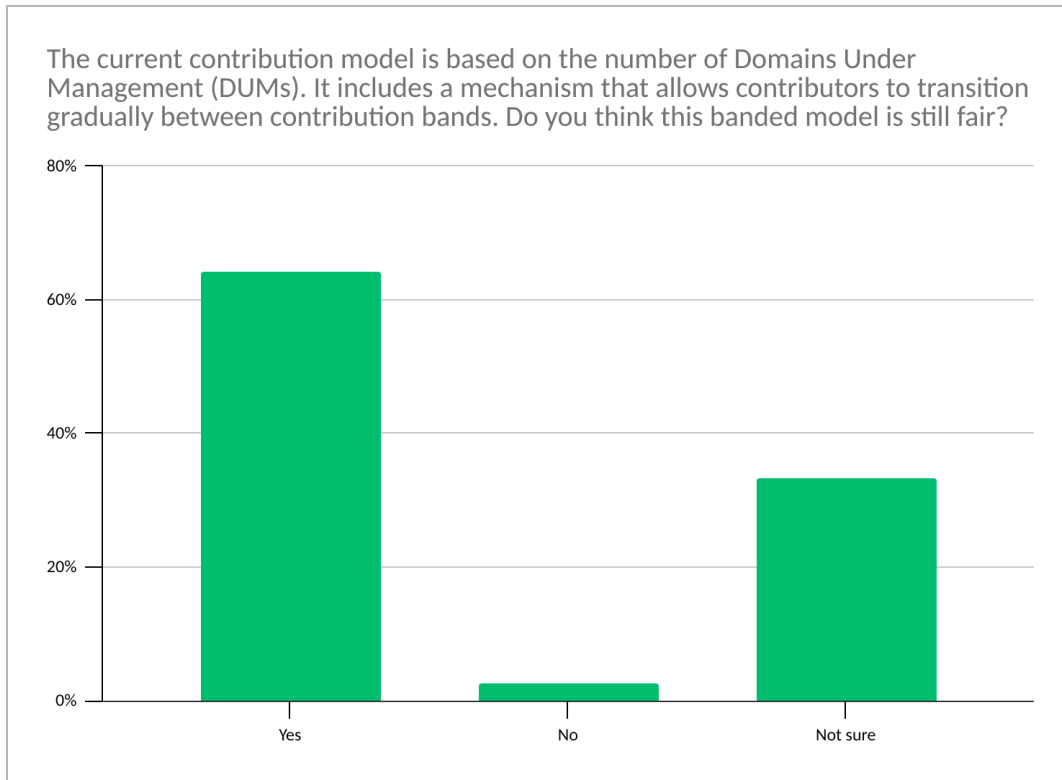


The majority of respondents usually contribute financially to ICANN.

Graph 18 - Reasons for making a voluntary financial contribution

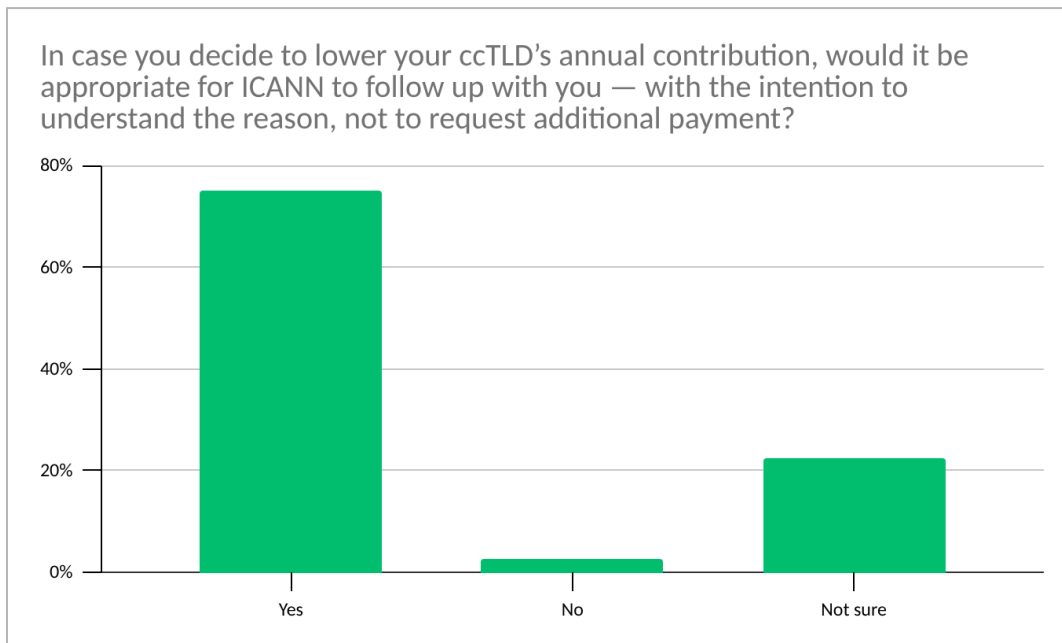


Graph 19 - Fairness of banded model



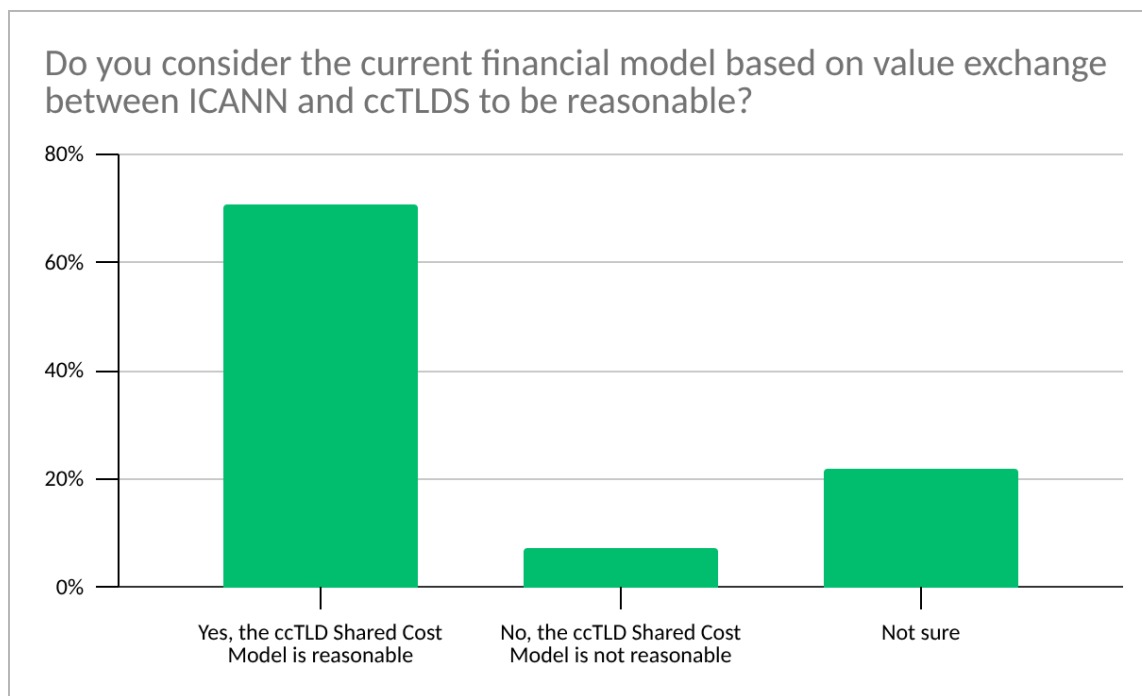
Only 1 respondent objected.

Graph 20 - Appropriateness for ICANN to follow up with ccTLDs



Only 1 respondent objected.

Graph 21 - Reasonability of the current value exchange model



3 respondents objected.

c. Summary of Individual responses to survey

Survey participants expressed a wide range of views regarding how to improve the contribution process, but several strong themes emerged regarding the current ccTLD financial contribution model and its challenges:

1. Communication & Transparency
2. Individual Outreach & Tailored Engagement
3. Flexibility in Payment Options
4. Awareness & Education
5. Value, Efficiency & Trust
6. Voluntary Nature vs. Commitment
7. Historical Sensitivities

More details on the responses are provided in Annex B.

Summarized, the outcomes of the survey and responses indicate that while respondents appreciate ICANN's efforts to collect feedback and acknowledge the complexity of the issue, the path forward must involve:

- Better financial transparency,

- Tailored engagement and flexible contributions,
- A renewed emphasis on trust and value exchange, and
- Responsible, efficient budgeting to reassure the community.

The WG notes that there is a shared desire to preserve voluntary contributions, but only if they are seen as fair, transparent, and meaningfully tied to the value ICANN provides.

With respect to financial transparency and responsible, efficient budgeting to reassure the community, the WG will inform the ccNSO Strategic and Operational Planning committee (SOPC) of these outcomes. The SOPC is tasked with reviewing ICANN's plans on behalf of the ccNSO.

With respect to the tailored engagement and flexible contributions, and a renewed emphasis on trust and value exchange, the working group refers to its recommendation to ICANN to regularly and actively reach out to and engage with individual ccTLD Managers to inform them and seek among others financial contributions on the basis of this Guideline, and the suggested approach (see Annex C).

3. Review of Contribution Model

The WG was also tasked to explore, review and propose various financial contributions models, including the current banded contribution model, to be considered by the community and Council. In reviewing the contribution model the WG had to take into account the principle of the voluntary nature of the financial contributions and the need to recover costs on an ongoing basis.

After review of the current Guideline, taking into account the results from the ICANN82 consultation and the survey, the WG proposes the following principles:

1. ICANN Organization and the ccNSO each re-confirm and recognize the value the ccTLD community and ICANN bring to their relationship.
2. ICANN Organization and the ccNSO each re-confirm the voluntary nature of the ccTLD contributions to ICANN.
3. ICANN Organization and the ccNSO re-confirm the value exchange model, with specific, shared and global value categories, which has been developed cooperatively, as the basis to allocate expenditures.
4. The ccNSO recognizes that ICANN undertakes expenditures that are of direct and specific benefit to the ccTLD community, for example the ccNSO PDPs pertaining to the IANA function, and recommends that ICANN should be reasonably compensated for these costs.
5. The ccNSO recognizes that ICANN undertakes expenditures that benefit the ccTLD community and others (specific and shared expenditures) for example the IANA Naming Function Services, and recommends that ICANN should be reasonably compensated for all these expenditures, proportionate to the share of the ccTLD community.

6. The ccNSO strongly believes that ICANN at a minimum should be compensated for its work to ensure and in support of the security and stability of the DNS, specifically the policy making role pertaining to IANA Naming Function and the IANA Naming Services, which are benefitting all ccTLD Managers and ccTLD operations.
7. ICANN Organization and the ccNSO recognize that ccTLDs function in a wide variety of operating environments using differing business and governance models
8. The ccNSO has developed the attached 'contribution model' for voluntary contributions to ICANN, which takes into consideration the number of domain names under management by a ccTLD Manager. However, the level of contribution that any ccTLD Manager makes to ICANN should continue to be determined between ICANN Organization and the individual ccTLD Manager.
9. Where a ccTLD Manager is responsible for managing more than one ccTLD, it will have the option of determining its ICANN contribution on the basis of either
 - o the total domains under management, or
 - o the sum of the contributions of the individual ccTLDs
10. Where a ccTLD agrees to initiate payment of contributions or to an increase in contributions, either as a result of the adoption of this guideline or in time, after reaching a higher band, these amounts could be phased in annually or over a period of three to five years
11. ICANN Organization and the ccNSO have agreed to the need to review the model and its results, after a minimum period of five (5) years.
12. The ccNSO recognise that the ccTLD Managers financial contribution to ICANN is a matter between that individual ccTLD Manager and ICANN, and for that matter ICANN Organization is recommended to regularly and actively reach out to and engage with individual ccTLD Managers to inform them and seek among others financial contributions on the basis of this Guideline.

The major proposed changes in comparison to the 2013 principles are:

- Making the voluntary nature of the contribution explicit (principle 2).
- Recommendation that ICANN should be reasonably compensated for its expenditures.
- ICANN should at a minimum be compensated for its work to ensure and in support of the security and stability of the DNS, specifically the policy making role pertaining to IANA Naming Function and the IANA Naming Services.
- Recognition that ccTLDs operate in a wide variety of environments.
- Recommendation to ICANN Organization to reach out and engage ccTLDs in process and among others seek financial contributions. A possible suggested approach for outreach and engagement is included in Annex C.

Band Model from 2013

Band	Domains Under Management	Suggested Voluntary Contribution	Approx. Number of ccTLDs	Approx. voluntary Contribution
A	Over 5,000,000	\$ 225,000	5	\$ 1,125,000.00
B	2,500,001 to 5,000,000	\$ 150,000	8	\$ 1,200,000.00
C	1,000,000 to 2,500,000	\$ 75,000	13	\$ 975,000.00
D	500,000 to 1,000,000	\$ 25,000	11	\$ 275,000.00
E	250,000 to 500,000	\$ 15,000	9	\$ 135,000.00
F	50,000 to 250,000	\$ 10,000	26	\$ 260,000.00
G	0 to 50,000	\$ 500	183	\$ 92,000.00
TOTAL			255	\$ 4,061,500.00

Proposed Band Model 2025 <PENDING REVIEW by the WG>

Band	Domains Under Management	Suggested Voluntary Contribution *	Approx. Number of ccTLDs	Approx. voluntary Contribution
A	Over 10,000,001	\$ 225,000	3	
B	5,000,001 to 10,000,000		3	
C	2,500,001 to 5,000,000		9	
D	1,200,001 to 2,500,000		15	
E	600,001 to 1,200,000		10	
F	300,001 to 600,000		10	
G	150,001 to 300,000		11	
H	75,001 to 150,000		19	
I	30,001 to 75,000		21	
J	10,001 to 30,000		36	
K	0 to 10,000	\$ 500	172	
TOTAL			309	

* The WG recognizes that potentially going from one band to another could be a steep change in financial contribution level. The WG notes principle 10, around phasing the contribution over a period of 3-5 years, may have a moderating effect.

Annexes

a. Proposed Contribution Guideline

The WG will propose the following Guideline for financial contributions to the ccNSO and ICANN:

Principles:

1. ICANN Organization and the ccNSO each re-confirm and recognize the value the ccTLD community and ICANN bring to their relationship.
2. ICANN Organization and the ccNSO each re-confirm the voluntary nature of the ccTLD contributions to ICANN.
3. ICANN Organization and the ccNSO re-confirm the value exchange model, with specific, shared and global value categories, which has been developed cooperatively, as the basis to allocate expenditures.
4. The ccNSO recognizes that ICANN undertakes expenditures that are of direct and specific benefit to the ccTLD community, for example the ccNSO PDP pertaining to the IANA function, and recommends that ICANN should be reasonably compensated for these costs.
5. The ccNSO recognizes that ICANN undertakes expenditures that benefit the ccTLD community and others (specific and shared expenditures) for example the IANA Naming Function Services, and recommends that ICANN should be reasonably compensated for all these expenditures, proportionate to the share of the ccTLD community.
6. The ccNSO strongly believes that ICANN at a minimum should be compensated for its work to ensure and in support of the security and stability of the DNS, specifically the policy making role pertaining to IANA Naming Function and the IANA Naming Services, which are benefitting all ccTLD Managers and ccTLD operations.
7. ICANN Organization and the ccNSO recognize that ccTLDs function in a wide variety of operating environments using differing business and governance models
8. The ccNSO has developed the attached 'contribution model' for voluntary contributions to ICANN, which takes into consideration the number of domain names under management by a ccTLD Manager. However, the level of contribution that any ccTLD Manager makes to ICANN should continue to be determined between ICANN Organization and the individual ccTLD Manager.
9. Where a ccTLD Manager is responsible for managing more than one ccTLD, it will have the option of determining its ICANN contribution on the basis of either
 - the total domains under management, or
 - the sum of the contributions of the individual ccTLDs

10. Where a ccTLD agrees to initiate payment of contributions or to an increase in contributions, either as a result of the adoption of this guideline or in time, after reaching a higher band, these amounts could be phased in annually or over a period of three to five years
11. ICANN Organization and the ccNSO have agreed to the need to review the model and its results, after a minimum period of five (5) years.
12. The ccNSO recognise that the ccTLD Managers financial contribution to ICANN is a matter between that individual ccTLD Manager and ICANN, and for that matter ICANN Organization is recommended to regularly and actively reach out to and engage with individual ccTLD Managers to inform them and seek among others financial contributions on the basis of this Guideline.

Band Model 2025

The following bands represent suggested amounts for a voluntary contribution. ccTLD Managers may choose to contribute above or below these suggested amounts, based on what is appropriate and feasible for them.

Band	Domains Under Management	Suggested Voluntary Contribution *
A	Over 10,000,001	\$ 225,000
B	5,000,001 to 10,000,000	
C	2,500,001 to 5,000,000	
D	1,200,001 to 2,500,000	
E	600,001 to 1,200,000	
F	300,001 to 600,000	
G	150,001 to 300,000	
H	75,001 to 150,000	
I	30,001 to 75,000	
J	10,001 to 30,000	
K	0 to 10,000	\$ 500

* The WG recognizes that potentially going from one band to another could be a steep change in financial contribution level. The WG notes principle 10, around phasing the contribution over a period of 3-5 years, may have a moderating effect.

b. Survey results

Overview of individual free text responses

1. Communication & Transparency

There is broad consensus that ICANN must improve how it communicates the use and value of ccTLD contributions. Respondents emphasized the need for:

- Regular, detailed financial reporting to show how funds are used and the impact of contributions.
- Annual sessions to review progress toward funding goals and discuss member satisfaction.
- Clearer articulation of value — both in terms of services provided (e.g., IANA naming function, root zone management) and the reciprocal benefit of ccTLD involvement in global internet governance.

2. Individual Outreach & Tailored Engagement

Many respondents stressed the importance of direct engagement with individual ccTLDs, recognizing that each operates under different legal, financial, and national conditions. Suggestions include:

- Personalized conversations to understand why some ccTLDs don't contribute.
- Outreach campaigns, especially in regions with low participation.
- Stronger collaboration with regional organizations and local governments.

3. Flexibility in Payment Options

There is significant support for more adaptable payment structures, including:

- Tiered or hybrid models based on size, capacity, or local conditions.
- Instalment-based or phased payments.
- Multi-year or standing contribution agreements for better budgeting.
- Recognition or incentives for consistent contributors (e.g., speaking opportunities, acknowledgments).

4. Awareness & Education

Several responses highlighted the need to raise awareness about the cost model, especially among new or non-contributing members. Recommendations include:

- Discussing the model at onboarding sessions (e.g., ccNSO Welcome Sessions).
- Sending explanatory messages alongside billing communications.
- Hosting regional webinars or forums to revisit the purpose and background of the model.

5. Value, Efficiency & Trust

A recurring concern was the perceived inefficiency and lack of cost-effectiveness at ICANN. Some believe the current \$3.5M target includes significant waste, arguing that essential ccTLD services (especially those provided by IANA) could be delivered for substantially less — around \$1.5M — and that too much is spent on governance and staffing. This has led to:

- Scepticism about the need for contributions at current levels.
- Calls to reduce ICANN's budget, increase accountability, and demonstrate more efficient use of funds.

6. Voluntary Nature vs. Commitment

Several respondents emphasized that the issue is not the model itself, but inconsistent follow-through by some ccTLDs. There is concern about “free riding,” and suggestions that simply redesigning the cost model won’t solve the core problem:

- Instead, ICANN should focus on rebuilding commitment, trust, and a shared sense of responsibility.
- Some asked whether it’s time to consider mandatory contributions, while others warned against revisiting a “pay-to-play” dynamic that damaged relationships in the past.

7. Historical Sensitivities

A few responses referenced past tensions, particularly a controversial push in 2010 for mandatory payment models that caused backlash. There is clear caution against repeating this approach. Future efforts must be community-driven, respectful, and transparent.

Annex C Suggestions to increase contribution

The WG suggests a strategic, multi-pronged plan to encourage the different kind of organizations that manage a ccTLD to make a voluntary, annual contributions to ICANN, based on the tiered contribution ranges. This plan uses outreach, transparency, social incentives, prestige, and relationship building—but avoids coercion or legal obligation.

Suggestion: “Global Partnering” closing the gap between Guideline and Invoice

A campaign-based initiative emphasizing collective responsibility and leadership to close the gap between model and actuals

Core Principles

- **Voluntary & Transparent:** Contributions are voluntary, but publicly acknowledged.
- **Tiered Contributions:** Based on domain names under management as this is key indicator for size of organization size (e.g., small, medium, large) by revenue, staff size, interactions with ICANN.
- **Recognition, Not Coercion:** Use positive incentives like prestige, influence, and visibility.
- **Multi-Channel Engagement:** Outreach is diversified and personalized, using personal, digital, institutional channels
- **Engagement by Segment**

STRATEGY BY ORGANIZATION TYPE / SEGMENT

- **Government-Related Organizations**
Examples: National agencies, governmental departments.
Tactics:
 1. **Outreach:**
 - High-level letters from leadership.
 - Combine with personalized approach (GSE team, lever for additional engagement)
 - Engagement during (inter)national forums (GAC, Regional events, national events like IGF) .
 - Align as much as possible with budget cycles ccTLDs (segmented approach)
 2. **Public Accountability:**
 - Annual “Scorecard” published. per ccTLDs, per membership ccNSO
 - Highlight contributing vs. non-contributing countries/regions
 3. **Data-Based Appeal:**
 - List ccTLD contributions. **Media Pressure:**
 - Soft name-and-shame: regional comparisons, “gap maps” of contributors vs. non-contributors.
- **Private Companies: If segmented approach**
Examples: private for profit corporations, not-for profit corporations, Foundations etc.

Tactics:

1. **Value Proposition:**
 - o Show return on contribution: reputation benefits for ccTLD.
 - o Show material available, testimonials
 2. **Peer Pressure:** showing contribution by peers.
- **Academic Institutions: If segmented approach**
Examples: Public Universities, Private Universities
Tactics:
 1. **Academic Recognition:**
 - o Highlight universities in annual “Global Knowledge Champions” report.
 2. **Publicity & Rankings:**
 - o Voluntary contributions factored into a “Global Engagement Index” for institutions.
 - o Encourage media coverage

INFRASTRUCTURE & SUPPORTING ELEMENTS

Contribution Model

Band	Domains Under Management	Suggested Voluntary Contribution	Approx. Number of ccTLDs	Segment		
				G	A	P
A	Over 10,000,001	\$ 225,000				
B	5,000,001 to 10,000,000					
C	2,500,001 to 5,000,000					
D	1,200,001 to 2,500,000					
E	600,001 to 1,200,000					
F	300,001 to 600,000					
G	150,001 to 300,000					
H	75,001 to 150,000					
I	30,001 to 75,000					
J	10,001 to 30,000					
K	0 to 10,000	\$ 500				

G - Government related fraction in band

A - Fraction Academia in Band

P - Private entity fraction in Band

- For profit
- Non for profit

Tools and Tactics

- **Outreach Kit:** Brochures, pitch decks, and testimonials
- **Personalized Approach:** Signed by the organization's director.
- **Ambassador Network:** Influential figures as volunteer peer persuaders.
- **Media Campaign:** "Join the League" – featuring contributors.
- **Online Platform:** Shows real-time contribution leaderboard and impact stories.
- Allow - to extent feasible - diverse payment methods (currency, terms etc)

Relationship Management:

- **Key Account Officers:** GSE (ICANN staff) assigned by region to manage relationships and follow up annually.
- **Annual Renewal Campaign:** with and impact updates.
- **Align with Budget cycles of categories**
- **Feedback Loops:** ccTLDs can propose new focus areas or pilot projects.

Monitoring & Soft Accountability

- **Dashboard of Contributions:** Live and publicly accessible.
- **Progress Tracker:** "Impact per Contributor" visualizations.
- **"Not Yet Contributing" List:** Visible on website, but framed constructively.
- **Reputation Nudges:** Annual newsletters with "Top Movers" and "Silent Partners."

Success Metrics

1. Year-over-year increase in total contributions.
2. Diversity of contributing organizations: in size, membership of the ccNSO, governance model
3. Media mentions of partnership or recognition tiers.

ANNEX D Documentation / References

- ccTLD Shared Cost Model - Updated figures April 2025:
https://drive.google.com/file/d/1PF7RDAVq_k4s9hglP5Ok85FcqFhfpNqE/view?usp=drive_link
- Financial Contributions of ccTLDs to ICANN - Report of the Financial Working Group to the ccNSO Council November 2013:
<https://archive.icann.org/meetings/buenosaires2013/en/schedule/sun-finance/presentation-finance-final-17nov13-en.pdf>