2014-2016 BUSINESS PLAN

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Internet Society™

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I. Introduction and Overview

The Internet Society aspires to be the foremost global voice and leader for the Internet of today and the future, ensuring that a vibrant, open, and sustainable Internet is available to everyone, including the billions of users yet to come online. As a unique platform for innovation, creativity, and economic opportunity, the Internet unequivocally has made the world a better place. As we enter 2014, we find an Internet landscape changing at an accelerating pace, with new opportunities and challenges emerging more rapidly than at almost any other time in our history.

Recent world events, for example, have highlighted the role of the Internet as a tool for expressing fundamental human rights and freedoms, and as a platform for citizens to voice their opinions and strengthen democratic participation. Yet we have also witnessed increased attempts by governments to limit or disrupt citizens' access to the Internet and to conduct surveillance activities that significantly erode users' expectations of online privacy. Internet penetration continues to increase across the globe, however, many developing economies still face significant challenges in building access infrastructure, growing local online industries, and creating policy and regulatory environments that allow their societies to realize the full economic and social benefits of the Internet. While we celebrate the Internet's phenomenal successes, we also see that the future of its foundational tenets – including distributed and de-centralized management and development, open and voluntary technical standards, global network interoperability, and the participatory multi-stakeholder model of Internet governance -- remain far from assured.

In this time of great change, the Internet Society stands firm in its commitment to lead from a core set of values and principles and to ensure that the fundamentals of an open, global Internet are nurtured and sustained so that all people around the world can benefit from the opportunities of the modern information society.

In 2014, our programme investments focus on advancing programmes and multi-year efforts that address both long-term issues and near-term imperatives. For example, the rise of "big data" and concerns about privacy violations by government and industry alike have emphasized the growing importance of our work in Trust and Identity. Our Public Policy objectives focus on deepening influence across a range of global, regional, and local issues through and in close cooperation with our Regional Bureaus, as well as shaping consensus in critical 2014 conferences, including the International Telecommunication Union Plenipotentiary, Internet Governance Forum, and related Internet governance events, among others. Further, 2014 will also see the continued evolution of our Deploy360 programme and open standards work, and expansion of our Internet development and economic analysis activities to bolster our effectiveness at advocating for positive change on the Internet, to name just a few critical areas for 2014.

2014-2016: A Renewed Agenda

To position the organization for future success in the rapidly evolving and complex Internet environment, ISOC, in collaboration with the Board of Trustees, undertook a strategic planning exercise in 2013. The process garnered input across ISOC's world-wide staff, our Chapters, Individual Members, and Organizational Members—as well as peer organizations in the Internet community and other sources—on the key trends likely to impact the future of the Internet over the next 5-7 years, and on how the results of these trends may impact ISOC's work and mission.

The Board reviewed and confirmed that ISOC's vision, mission, and principles remain central to our work and future direction. In addition, the Board articulated for the organisation a renewed set of strategic objectives:

A. Strengthen and defend the open development and evolution of the Internet, including open Internet standards, technology and infrastructure development, deployment, and innovation;

B. Advance the open, participatory, multi-stakeholder model of Internet governance and policy approaches that support Internet principles and user-centricity;

C. Bridge the digital divide by growing Internet connectivity and capabilities throughout the world, with special emphasis on developing regions; and

D. Advocate for the open, global Internet for all the world's people.

Input from our community and related analysis also demonstrated that ISOC must be prepared to face a range of Internet challenges and future scenarios, the specifics of which will be difficult to predict. Indeed, as the Internet evolves it continues to bring surprising new developments. This is particularly true as the Internet expands globally

and deepens its local relevance to new and diverse stakeholders and communities. Further, the quick pace of change means that ISOC must be able to react with speed and agility in addressing critical issues as they emerge.

As such, key to advancing our mission and implementing our renewed Strategic Objectives in this dynamic environment will be our ability to adapt and align to meet a range of possible futures. Based on the work, including input from our community, three key capabilities emerged as critical for advancing ISOC's future agility and success:

1) Networked Expertise: Growing the capability to develop, leverage, and manage virtual networked centres and resources of expertise spread internally and externally across our global network, including Chapters, Members, and expert contributors aligned with our mission.

2) Strategic Partnerships and Alliances: Deepening our ability to act as a coalition builder, creating outcome-driven, long-term relationships, and partnerships and alliances that commit partner resources and expertise to drive scale and extend impact in pursuit our Strategic Objectives, and

3) Catalyzing Global Engagement Among Stakeholders: Implementing global, regional, and local capabilities to engage, connect, and empower individuals and organizations to create, aggregate, and disseminate information, insight, and best practices, and enhance the ability of stakeholders to self-organize to advance our mission.

Given that specific challenges will be difficult to predict (a by-product of a de-centralized global communications platform) success in achieving all that is necessary will require that ISOC be flexible and nimble. The capabilities above are critical strategic components.

Our renewed agenda for 2014-2016 builds towards a vision of the Internet Society in 2020 as the foremost global voice and leader for the Internet—one that more deeply engages our community and stakeholders to shape a better Internet globally, regionally, and locally. As part of our efforts, we continue to deepen our regionalization strategy, including aligning more direct management and leadership responsibility with our Regional Bureaus. In addition, our 2014 programmes and priorities are also aligned under the renewed Strategic Objectives set forth by the Board.

This renewed framework, illustrated below, provides a concise means of communicating the issues of central importance to staff and to the world at large. In addition, it helps forge alignment across goals while recognising the cross-disciplinary and cross-organizational nature of our work.

2014-2016 Renewed Agenda and Business Plan Outline

VISION	**The Internet is for Everyone**			
MISSION	To promote the open development, evolution, and use of the Internet for the benefit of all people throughout the world			
2020 POSITIONING	ISOC is the foremost global voice and leader for the Internet of today and the future, driving positive change globally, regionally, and locally			
STRATEGIC OBJECTIVES	Strengthen and defend the open development and evolution of the Internet	Advance the open, participatory, multi-stakeholder model of Internet governance and policy approaches	Bridge the digital divide by growing Internet connectivity and capabilities throughout the world	Advocate for the open, global Internet for all the world's people
ANNUAL AND MULTI-YEAR PROGRAMMES AND PROJECTS	Each Strategic Objective is supported by annual and multi-year programmes and projects aimed at dynamically addressing the most important pressing issues facing the Internet today and in the future.			
KEY CAPABILITIES	Networked Expertise	Strategic Partnerships and Alliances	Catalyzing Global Engagement Among Stakeholders	

A high-level overview of our major programmatic areas and expected impacts for 2014 appear in Section II *Fulfilling Our Mission* of the Business Plan. In addition, further programmatic detail appears in Appendix B and a summary of the key capabilities we aim to further develop appears in Appendix C.

2014 Financial Overview

As a cause-based organization, the Internet Society strives to put all available resources to work in the fullest possible pursuit of our mission. We do so under the guidance of our Board of Trustees and after careful consideration of strategic needs, future funding streams, operational requirements and continuity reserve requirements. Our 2014 financial and resourcing plan allows us to execute strongly against our mission and provides a roadmap for additional growth opportunities, while promoting stability during the transition to a new Chief Executive Officer.

For 2014 we have sought to keep staff, expense and revenue growth largely consistent with 2013 levels, adjusting to ensure alignment with our current our goals and priorities, and arcing towards our strategic vision.

Starting this year, our revenue plans will be segmented into “base expectations” and “stretch goals.” Revenue “base expectations” will be used for overall financial planning purposes, while the “stretch goals” will be used to recognize that there is room for additional programmatic growth as funding sources are secured.

An overview of our 2014 financial plan appears below. Some notable presentation changes from 2013 include:

- Expenses specifically associated with grant-funded projects and in-kind donations of project equipment are now reflected in a new section called “Fulfillment Expenses.” In previous years, these expenses had been recorded within functional areas (specifically the Regional Bureaus, Leadership, and Strategic Development departments.) This change provides greater clarity in tracking expenses associated with associated grant and equipment donation revenues, and better reflects that implementation of such projects are often cross-departmental in nature.
- The budget includes a specific line item for “CEO Discretion”; the practice of presenting of a line item for Board and Strategic Planning continues from 2013, and now includes all Board travel in 2014.
- A new line item is also included to recognize the on-going impact of the donation of equipment for NOC and wireless connectivity at future Internet Engineering Task Force (IETF) meetings. By accounting convention, such equipment must be capitalized and depreciated over its useful life (this Business Plan assumes that initial IETF-related equipment will be donated in 2013.)

SUMMARY Statement of Activities - Unrestricted
2014 Budget with Base Revenue Plan

	2014 Budget	2013 Budget	'14 vs. '13 Bud	% Chnge	Mid-Yr Frcst	'14 vs. '13 Frcst	% Chnge
GROSS REVENUES - Unrestricted Sources							
Memberships and Platinum Sponsorships							
Org Membership/Platinum Sponsorships	2,020,000	2,050,000	(30,000)	-1%	1,850,417	169,583	9%
Individual Member Dues & Donations	10,000	25,000	(15,000)	-60%	25,000	(15,000)	-60%
Memberships and Platinum Sponsorships	2,030,000	2,075,000	(45,000)	-2%	1,875,417	154,583	8%
Sponsorships							
Sponsorable Programs (excl IETF)	1,328,500	1,485,000	(156,500)	-11%	841,000	487,500	58%
Major Equipment Donations	600,000	-	600,000		475,000	125,000	
IETF Sponsorships	1,525,000	1,041,250	483,750	46%	931,780	593,220	64%
Sponsorships	3,453,500	2,526,250	927,250	37%	2,247,780	1,205,720	54%
Grants	1,947,000	1,913,900	33,100	2%	1,810,000	137,000	8%
Registration and Fee Revenue							-
Registration Fees (excluding IETF)	135,000	129,750	5,250	4%	135,610	(610)	0%
IETF Meeting Registration & Other IETF Revenues	2,390,000	2,304,500	85,500	4%	2,242,179	147,821	7%
Registration and Fee Revenue	2,525,000	2,434,250	90,750	4%	2,377,789	147,211	6%
PIR Contribution to ISOC	29,500,000	28,000,000	1,500,000	5%	28,000,000	1,500,000	5%
Project 94 PIR sale of 1-2 charact domains	-	1,000,000	(1,000,000)	-100%	400,000	(400,000)	-100%
PIR Restr Funds Applied for Unrestricted Use	416,000	1,000,000	(584,000)	-58%	1,000,000	(584,000)	-58%
GROSS REVENUES Unrestricted Sources	**39,871,500**	**38,949,400**	**922,100**	2%	**37,710,986**	**2,160,514**	6%
FULFILLMENT EXPENSES							
Total Grant Fulfillment Expenses	1,968,000	-	1,968,000		-	1,968,000	
Total Major Equipment Donations	650,000	-	650,000		-	650,000	
TOTAL FULFILLMENT EXPENSES	**2,618,000**	**-**	**2,618,000**		**-**	**2,618,000**	
NET REVENUES - Unrestricted Sources	**37,253,500**	**38,949,400**	**(1,695,900)**	-4%	**37,710,986**	**(457,486)**	-1%
Department & Program Exp (excl IETF)							
Departmental Expenses							
Total Operations Group	16,551,945	17,117,642	(565,697)	-3%	16,402,291	149,654	1%
Total Strategic Group	13,542,708	14,198,459	(655,751)	-5%	13,717,542	(174,834)	-1%
Total Departmental Expenses	30,094,653	31,316,101	(1,221,448)	-4%	30,119,832	(25,180)	0%
Other Program Expenses							
NDSS	120,000	90,000	30,000	33%	116,815	3,185	3%
Internet Hall of Fame Event	185,000	210,000	(25,000)	-12%	180,000	5,000	3%
Internet Advertising Expense	-	480,000	(480,000)	-100%	480,000	(480,000)	-100%
CEO Reserve	150,000	-	150,000		50,000	100,000	200%
Donated Equipment Depreciation	333,333	-	333,333		-	333,333	
Strategic Planning, Board Governance, Bd Travel	350,000	600,000	(250,000)	-42%	650,000	(300,000)	-46%
Total Other Program Expenses	1,138,333	1,380,000	(241,667)	-18%	1,476,815	(338,482)	-23%
Total ISOC Department & Program Exp Excl IETF	**31,232,986**	**32,696,101**	**(1,463,115)**	-4%	**31,596,647**	**(363,662)**	-1%
IETF Expenses(excluding Capital)	5,817,000	5,274,858	542,142	10%	5,124,062	692,938	14%
TOTAL EXPENSES Including IETF	37,049,986	37,970,959	(920,973)	-2%	36,720,709	329,276	1%
Net Surplus Before Interest & CEO Transition	**203,514**	**978,441**	**(774,927)**	-79%	**990,277**	**(786,762)**	-79%
Other Revenue (Expense) - Interest and Currency	500,000	500,000	-	0%	250,000	250,000	100%
CEO Search and Transition Costs	(225,000)	-	(225,000)		(450,000)	225,000	-50%
NET UNRESTRICTED SURPLUS/(DEFICIT)	**$ 478,514**	**$ 1,478,441**	**$ (999,927)**	**-79%**	**$ 790,277**	**$ (311,762)**	**-29%**
Balance in Unrestricted Net Assets, Beginning of Peric	***$ 15,123,818***	***$ 14,560,916***			***$ 14,333,541***		
Balance in Unrestricted Net Assets, End of Period	***$ 15,602,332***	***$ 16,039,357***			***$ 15,123,818***		
ISOC Generated Revenue	***$ 9,955,500***	***$ 8,949,400***	***$ 1,006,100***	***11%***	***$ 8,310,986***	***$ 1,644,514***	***20%***

Revenues

Gross Revenues for 2014 are budgeted to be $39.9 million, representing 6% annual revenue growth from the 2013 Mid-Year Forecast. A total of $29.5 million in revenue is planned annual contributions from the Public Interest Registry (PIR), with an additional $416,000 made available from previously restricted funds from PIR (2010). The funding from PIR's auction of 1-2 character domain names ends in 2013. Even though the recurring annual PIR contribution increases in 2014, the reduction in 1-2 character funds and final use of outreach funds will cause a slight decrease in budgeted funds provided by PIR in 2014.

While the majority of our funding continues to come from PIR, the percentage of ISOC-Generated funding will increase to 25% of gross ISOC revenues in 2014, up from 22% in 2013, 21% in 2012, and 18% in 2011. This represents an increase from $8.3 million forecast for 2013 to $9.9 million in 2014. As discussed further in Section III

Resourcing and Funding our Mission, much of this growth relates to an increase in IETF hosting and sponsorship fees, and to grants that are either already awarded or are likely to be awarded in the coming months. We reflect separately the costs for "Fulfillment" of grant-funded projects and donations of project equipment ($2.6 million), which are increasingly important to ISOC's revenue plans, but also carry sizable expense elements. As such, Net Revenues from unrestricted sources is budgeted to be $37.3 million.

The additional ISOC-Generated funding expectations reflect several organizational emphases planned for 2014. In line with our strategic plan, and broader and deeper engagement with Organizational Members, we will increase our focus on developing multi-year partnerships and project opportunities with corporate, foundation, and international development communities to help sustain our long-term funding base. We will build on existing success and momentum for local sponsorship of activities such as the African Peering and Interconnection Exchange Forum (AfPIF) and the Internet Hall of Fame. Our current staffing levels for resource development allows us to get an earlier start on planning cycles, better support our Regional Bureaus in identifying and securing localized support, and enhance the marketing of the proven quality of ISOC events to drive strong growth in sponsorships.

Progress on these funding sources will be carefully monitored throughout the 2014-2016 planning cycle.

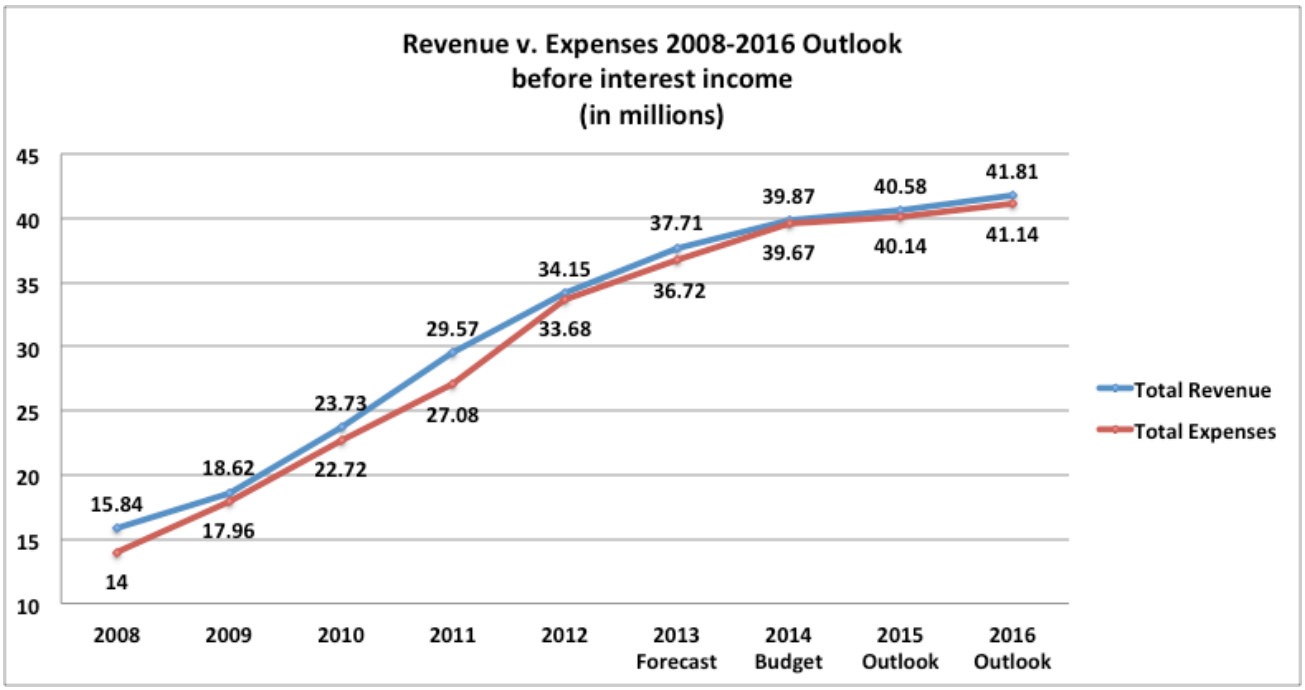
Expenses

Even as ISOC-Generated revenues increase, the Internet Society strives to maintain relatively flat expenses in 2014 as compared to 2013. To make this comparison, note that "Fulfillment Expenses" (formerly included within departmental expense reporting) are estimated to be $2.6 million in 2014, and have been accounted for separately in the new 2014 reporting format. As a result, Department and Programme Expenses only increase very slightly, from $36.7 million in the 2013 Mid-Year Forecast to only $37.0 million in the 2014 Budget.

The 2014 Budget also covers a number of new expense items. First, we have included a modest "CEO Discretionary" budget to provide a level of flexibility for directions suggested by a new administration. Second, we have continued the practice of providing funds for Board activities and now include all Board activities in a single line item (formerly, Board travel was included in General & Administrative costs). Third, we have included a line item for the recurring financial impact of equipment expected to be donated to the IETF every three years (see further detail in the IETF discussion section of the Plan).

The result is a 2014 budgeted Net Surplus (before Interest and the impact of the CEO Search and Transition costs) of $203,500.

Our 2014 budget builds on the programmes we have developed over the past several years, but recognizes the pattern of slower growth foreseen for the next several years. As in previous years, expenses will be well controlled and in line with annual funding expectations.



Public Support Test

As a public charity under the United States' Internal Revenue (IRS) Code 501(c)(3), ISOC is measured against a series of tests to ensure broad public support and adherence to a charitable purpose. The IRS Public Support Test sets an initial bar for non-profit organizations to earn 33.33% of funding from general sources. With its reliance on funding from PIR, and as expected, ISOC fell below the 33.33% test beginning with the filing of ISOC's 2007 tax return. ISOC's 2012 tax return (filed October, 2013) reflected a Public Support factor of 14.57%, an improvement over the 13.75% reported in 2011. The second test used by the IRS calls for a minimum of 10% in funding from general sources, while taking into account other factors such as the breadth of its programmes and its charitable activities. Consequently, ISOC has filed with the IRS under the 10% test with a "facts and circumstances" plan to meet the Public Support Test.

Current forecasts, based on this business plan and conservative future year assumptions, show that the Public Support Test percentage calculation will again dip below 14% in 2013 due to receipt of the PIR non-recurring funds. It will stabilize at this level and then begin to rise with the 2014 tax year. The Public Support Test is a 5-year rolling average, dampening the speed of both the downward and upward movements of the test. The Internet Society's projected level is expected to remain comfortably above 10%.

2014-2016 Financial Outlook

The 2014-2016 Three-Year Financial Outlook summarized in the table below provides a strategic view of ISOC's financial prospects over the full three-year time horizon of the Business Plan.

SUMMARY Statement of Activities - Unrestricted 2014 - 2016 OUTLOOK	2014 Budget and 2015-2016 Outlooks		
	2014 Budget	2015 Outlook	2016 Outlook
GROSS REVENUES - Unrestricted Sources			
Memberships and Platinum Sponsorships			
Org Membership/Platinum Sponsorships	2,020,000	2,222,000	2,555,300
Individual Member Dues & Donations	10,000	15,000	22,500
Memberships and Platinum Sponsorships	2,030,000	2,237,000	2,577,800
Sponsorships			
Sponsorable Programs (excl IETF)	1,328,500	2,608,000	2,904,100
Major Equipment Donations	600,000	600,000	600,000
IETF Sponsorships	1,525,000	1,585,000	1,835,000
Sponsorships	3,453,500	4,793,000	5,339,100
Grants	1,947,000	1,602,200	2,029,870
Registration and Fee Revenue			
Registration Fees (excluding IETF)	135,000	135,000	135,000
IETF Meeting Registration & Other IETF Revenues	2,390,000	2,316,000	2,231,000
Registration and Fee Revenue	2,525,000	2,451,000	2,366,000
PIR Contribution to ISOC	29,500,000	29,500,000	29,500,000
PIR Restr Funds Applied for Unrestricted Use	416,000	-	-
TOTAL GROSS REVENUES Unrestricted Sources	**39,871,500**	**40,583,200**	**41,812,770**
FULFILLMENT EXPENSES			
Total Grant Fulfillment Expenses	1,968,000	1,514,090	1,906,877
Total Major Equipment Donations	650,000	660,000	660,000
TOTAL FULFILLMENT EXPENSES	**2,618,000**	**2,174,090**	**2,566,877**
NET REVENUES - Unrestricted Sources	**37,253,500**	**38,409,110**	**39,245,894**
Department & Program Exp (excl IETF)			
Departmental Expenses			
Total Operations Group	16,551,945	16,551,945	16,882,984
Total Strategic Group	13,542,708	13,542,708	13,813,562
Total Departmental Expenses	30,094,653	30,094,653	30,696,546
Total Other Program Expenses	1,138,333	1,693,333	1,152,000
Total ISOC Department & Program Exp Excl IETF	**31,232,986**	**31,787,986**	**31,848,546**
IETF Expenses(excluding Capital)	5,817,000	6,174,000	6,725,000
Total Expenses Including IETF	37,049,986	37,961,986	38,573,546
Net Surplus (Deficit) Before Interest & CEO Trans	**203,514**	**447,124**	**672,348**
Other Revenue (Expense) - Interest and Currency	500,000	500,000	500,000
CEO Search and Transition Costs	(225,000)	-	-
NET UNRESTRICTED SURPLUS/(DEFICIT)	**$ 478,514**	**$ 947,124**	**$ 1,172,348**
ISOC Generated Revenue	***$ 9,955,500***	***$ 11,083,200***	***$ 12,312,770***

Several assumptions used in creating the 2014 Budget are applied to our financial outlook for 2015 and 2016:

- We expect and plan for PIR contributions to remain at $29.5 million throughout this planning period, as PIR invests in .NGO, .ONG, and 4 IDN TLDs.
- ISOC will continue to support the IETF operational needs, projected to exceed the $2 million level due to higher meeting space costs. Meeting registration fees are projected at the rate first set in 2011.
- ISOC-Generated Revenues are expected to increase approximately $1.0-$1.2 million annually over the remainder of the planning period, including growth in revenue from memberships and sponsorships.

Grant funding will remain an important contributor to ISOC's mission with Fulfillment Expenses expected to track revenues closely.

- Staffing levels are anticipated to remain at stable levels in 2015 and 2016, with new staff dependent on specific programme needs, efficiencies, and revenue-driven projects.
- ISOC plans to hold a Global INET in the first half of 2015, as this is critical to ISOC building a strong community, and for showing leadership and building greater awareness of our mission and activities. Several events will be associated, including a Hall of Fame celebration and a regional Chapter workshop. Sponsorships and attendance fees are projected to offset a major portion of this cost.
- We continue to grow our Continuity Reserve funds, but at a slower rate. Since the Outlook includes several non-cash items, we expect contributions to Continuity Reserve to be $750K in 2014, increasing to an annual rate of $1.5 million by 2016.

II. Fulfilling our Mission

The Internet Society tackles the most important and challenging issues facing the Internet—and we do so on global, regional, and local levels. With the engagement and involvement of our Chapters, Members, and other community partners we are able to implement and sustain a range of key programmes and achieve impacts at a depth and reach remarkable for an organization of our size.

Advancing our mission requires the collaboration of people across a broad range of disciplines, interests, cultures, and geographies. We work inclusively to convene and build understanding among stakeholders, including governments, national and international organizations, civil society, the private sector, technical communities, and other parties so that sound, informed decisions and actions are taken that positively influence Internet directions. Our Chapters and Members play an instrumental role in these efforts, reaching out locally and contributing their diverse knowledge and expertise to advance the mission and goals of the Internet Society. And, our Regional Bureaus continue to excel at delivering impact regionally and locally, bolstering our ability to create global change.

The Internet Society's 2014 programmes advance the renewed Strategic Objectives set forth by our Board and progress multi-year projects aimed at creating substantial, sustainable impacts on the Internet landscape. A high-level summary is provided below, while more extensive programmatic overviews and additional details appear in Appendix B. Further, priorities by geographic region appear in the *Deepening our Regionalization Strategy* section of this document.

Objective A: Strengthen and defend the open development and evolution of the Internet, including open Internet standards, technology & infrastructure development, deployment and innovation.

As the Internet continues to evolve, so do the challenges of maintaining the vibrancy and health of the global network. The Internet Society aims to ensure the continued collaborative support for and sound technical evolution of the open, global Internet, by engaging a range of stakeholders, such as technical engineers, business, operators, researchers, and policy makers, among others, to address today's challenges as well as identify and develop solutions to future-looking issues. This collaborative support is imperative to ensure the widespread deployment and implementation of new technologies and open IETF standards; the success of the open model for standards development; and technical solutions, tools, and practices that promote trusted data transactions and user-centric privacy management. These, in turn, are key to ensuring the future of the Internet as an open, innovative, and trusted platform.

Key programmes and focus areas for 2014 include:

Internet Technology Matters*:* The choices that are made by technologists, business, policymakers, and others in response to the rapid evolution of user expectations, changes in business models, and external threats to the network have a profound impact on the collective Internet Our work in this area is based on building collaborative activities with key decision makers. We aim to identify and advance solutions that address both current and future technical challenges in a manner that preserves and extends the core characteristics of the Internet. In 2014, we will place emphasis on addressing the challenges related to recent surveillance revelations, growing user demand for high bandwidth, data-intensive, and latency-sensitive applications, ensuring a more resilient Internet routing system by raising awareness of issues and promoting collaborative industry approaches for deploying secure routing technologies, and broadening IPv6 adoption in mobile wireless networks.

Deploy360: Our Deploy360 programme aims to accelerate the deployment of Internet standards and technologies that improve the functioning, security, and sustainability of the Internet. In providing real-world deployment information across the global operations community, advocating in regional and local forums, and keeping key content, materials, and tool available and refreshed through the Deploy360 portal and social media, the programme reaches thousands of practitioners a year, delivering practical deployment solutions. In 2014, we will focus on expanding the reach and impact of the programme. IPv6 and DNSSEC remain anchor topics in the Deploy360 platform, and the topic of routing resiliency introduced in 2013 will continue to expand. We are evaluating further topics for 2014, including materials for supporting Voice over IP deployment (in the face of many nations' decisions to ramp down their public switched telephone networks in the coming years).

Operator Engagement and "Best Current Operational Practices": The identification and documentation of Internet best operational practices is important as we seek to keep the Internet open, global and interoperable. In 2014, we will extend our work with operators around the globe, including in developed and developing regions, to facilitate the development community-driven current best practices for network operations and implementation of Internet technology. Furthermore, the work will also seek to facilitate communications between the operators community and the IETF to help ensure that operational realities inform the development of key standards.

Open Standards Initiatives: In 2012, ISOC was a key partner in launching the Open Stand, a movement dedicated to promoting a proven set of Open Standards principles to encourage the development of market driven standards that are global and open, drive innovation, and enable global connectivity. As part of our continuing work to promote open and voluntary standards development, in 2014 we will continue to promote, raise awareness and seek public support of the Open Stand principles, in addition to advancing global recognition of standards developed by the IETF.

Advancing Trust and Identity Management: The collection and use of identifying data, online privacy, and trust in online transactions are among the top matters of concern to Internet stakeholders globally, particularly in light of recent revelations about Internet surveillance and pervasive data collection activities. In 2014, our key priorities include advancing technical solutions, tools, and practices that promote trusted data transactions and user-centric privacy management. Among other work, we will seek to improve cryptographic solutions and lower risks of user exposure to data collection through approaches such as trusted attribute exchange and trust inter-federation. We also aim to increase collaboration and cooperation amongst stakeholders, and championing the adoption of sound privacy principles, approaches, and guidelines in a range of public policy and multi-stakeholder forms, including at the global and regional levels.

Objective B: Advance the open, participatory, multi-stakeholder model of Internet governance and policy approaches that support Internet principles and user-centricity

Our global advocacy on Internet governance and topical issues emerging at the intersection of policy and technology is a cornerstone of the Internet Society's work. In collaboration with experts across a range of disciplines and geographies, including our Chapters and Members, we advocate user-centric principles and positions in a range of key international and regional governmental and multi-stakeholder forums, as well as in national policy decisions and approaches.

2014 will be a critical year in the Internet policy arena. Revelations about government online surveillance have renewed calls by some stakeholders for fundamental changes to the governance and management of the Internet. Further, 2014 will be marked by a number of critical policy conferences, the outcomes of which will shape the future economic, technical and policy environment of the Internet. This context also lends additional complexity to on going efforts to address key policy issues, such as intellectual property, content, privacy, and human rights, among other issues.

Key programmes and focus areas for 2014 include:

Shaping Consensus in Critical Internet Governance Conferences: In addition to on-going work in regional forums such as APEC, the OECD, and CITEL among others, decisions coming out of three major global conferences in 2014—the World Telecommunication Development Conference (WTDC), the ITU Plenipotentiary Conference, and The World Summit on Information Technology (WSIS)—will have a significant impact on the future of the Internet. The recently proposed Internet Summit in Brazil is likely to impact Internet governance negotiations in late 2014. ISOC's global policy objective at these key conferences is to shape this emerging international consensus so that the open and generative Internet model is sustained and continues to scale, foster innovation, and drive economic growth. We will leverage ISOC's deep networks of expertise throughout our Regions, Members, and Internet partners to demonstrate to governments that the multi-stakeholder model works and is capable of addressing complex Internet policy questions.

Providing Leadership on Policies for an Open and Sustainable Internet: A range of specific Internet public policy issues such as digital content, the exercise of fundamental rights online, privacy, surveillance, open standards, and security remain top policy priorities for ISOC in 2014. Clearly, the policy decisions made at the local, regional, and

global levels to address these issue are crucial to the future of the Internet. ISOC will provide thought leadership on these difficult policy issues; we will draw upon the deep policy and technical expertise of our staff and community to help policymakers make decisions at the regional and local levels that will sustain and grow the open Internet. Specific initiatives such as our "Combatting Spam" project will leverage ISOC's convening strengths to connect technical experts to developing country policymakers in order to help address their priority challenges.

Addressing Regional Policy Needs and Key Issues: While the Internet is a global network of networks, ISOC understands that each country and region is unique and faces distinct policy challenges. Our Regionalization strategy allows ISOC to prioritize and focus our policy outreach based on local needs, opportunities, and conditions. In turn, ISOC's depth of knowledge and experience at the regional and local levels help shape ISOC's global policy outlook, perspective, and advocacy. We are increasingly able to reach and motivate a cadre of policymakers at the local and regional level that are shaping the future of Internet policy in their countries. In 2014, our goal is to deepen those networks of policymakers by providing them with credible, consistent, concise, and evidence-based information that will help them make important policy decisions on the topics that matter to them, including Internet governance, cybersecurity, spam, local content, and net neutrality.

Objective C: Bridge the digital divide by growing Internet connectivity and capabilities throughout the world, with special emphasis on developing regions

Since the founding of the Internet Society, assisting countries to grow and sustain Internet capabilities and expand access has been central to our mission. Driven on a cross-organizational basis by our Regional Bureaus, Strategic Development, and Public Policy Departments, and supported through collaborations with our Members, Chapters, and Internet community partners, the Internet Society delivers impact by extending technical knowledge, skills, and best practices in developing regions, working with communities to improve and implement networks and key infrastructures, fostering and supporting communities of practice, and advancing policy and regulatory approaches that support Internet growth.

Our reinvigorated focus on Internet development over the past several years has brought significant positive change to the Internet globally. Our successes including helping to build and improve Internet exchange points, particularly in Africa and Latin America, providing critical Internet operational training for some 750 technologists per year, advancing community networking and access opportunities through partnership projects in Asia and our Community Grants programmes, and providing policy advice and learning opportunities for policymakers and regulators across the world, to name but a few. These efforts have helped increase access, lower costs, and provide a sustainable platform for Internet growth in emerging and developing economies.

Key programmes and focus areas for 2014 include:

Interconnection and Traffic Exchange, including IXP deployment: Our goal is to increase the effectiveness of Internet interconnection and traffic exchange in developing and emerging regions in order to lower access costs, improve Internet performance and reliability, and accelerate growth of their overall Internet economies. In 2014, we will advance our work to expand national and regional peering opportunities through Internet exchange points, promulgate best practices, and deepen multi-stakeholder forums and dialogue to address regional challenges, including our successful African Peering and Interconnection Forum (AfPIF) and support of LAC-IX. Working in Africa, Latin America, Asia, and developing countries in Europe, and supported by grants from Google.org, Cisco, and the African Union, our goal is to facilitate the deployment and improvement of over 10 IXPs globally and improve cross-border connectivity. We will also add emphasis on improving the "demand drivers" for improved connectivity, including the expansion of local content industries.

Networking Skills Capacity Building, including IPv6 and DNSSEC: Our training and capacity building activities with Network Operators' Groups around the world, including training forums such as AfNOG, APRICOT, and WALC, will continue to be a key component of our work to build local networking skills. We will also build upon our networking skills "boot camp" programme in Africa by adding online learning capabilities to reach more individuals. Leveraging our regional expertise and Chapter engagement, we will continue to deepen our IPv6 and DNSSEC deployment efforts in developing countries. Further, we will continue to work to develop strong ccTLD infrastructures and communities of practice, including advancing the success of the Africa DNS Forum launched in 2013 to bring regional and global experts together and jump-start capacity building in the African region.

Advancing Internet Development Thought Leadership and Engagement: Key among our priorities in the coming year will be developing and issuing “best of class” research and reports on Internet development topics. We will also develop case studies and best practice guides to provide practical information to stakeholders about implementing Internet development approaches consistent with the Internet model and ISOC principles. Further, we will work to deepen our engagement with the ITU Development sector, among other forums, to share lessons and solutions from our more than 20 years of experience in promoting Internet access and development.

Local Access Projects and Community Grants: In 2014, we plan to extend our partnership programmes aimed at expanding Internet access and wireless connectivity in South Asia, which have already helped bridge the digital divide in over 10 rural and underserved communities in India. Further, we will continue to provide seed funding for access and other Internet development projects through our Community Grants programme. These projects harness the local expertise and creativity of our Chapters and Global Members to bring Internet access to underserved areas, expand e-learning capabilities in rural schools, empower citizens around the world with Internet skills, and extend local culture digitally.

Objective D: Advocate for the open, global Internet for all the world’s people.

The sustainability of the open global Internet is increasingly challenged. Issues facing the Internet span policy, governance, technology, and development domains, requiring diverse stakeholders to step up and take action to address them. Extending the Internet Society's recognition and position as a global independent source of Internet thought leadership and trusted information bolsters our ability to influence positions and accelerate action on key issues. Resting on this foundation of acknowledged leadership, our advocacy work and engagement takes many forms. Our studies and papers have shown to play a key role in shaping public policy, technical, and development discussions globally. Local outreach and advocacy through Regional Bureaus and Chapters engage local stakeholders and develop on-the-ground leadership on key issues. Internet Society events engage thought leaders around the world on some of the most difficult, nuanced, and ground-breaking issues facing the Internet

Key programmes and focus areas for 2014 include:

Open and Sustainable Internet Campaign: We will launch a global campaign to advocate for of Internet openness, sustainability, and user empowerment in a manner that reinforces the core Internet principles, including multi-stakeholder participation. The campaign will focus on for aspects of openness: advancing open global standards for innovation and infrastructure development; ensuring participation and freedom of expression for Internet users; accelerating business opportunities, innovation, and economic progress; and promoting open and inclusive multi-stakeholder Internet governance. The campaign will provide an overarching platform for conveying the meaning and value for the broad range of Internet Society activities and initiatives, and will encompass developing materials and tools for Chapters and Members to advance messages and engage stakeholders, including through Regional Bureaus.

Internet Leadership and Stakeholder Education: To scale the reach of ISOC global advocacy efforts, we will refocus our work to build a strong and talented pool of key leaders and influencers who can effectively navigate complex policy and technology issues. Our Internet leadership and knowledge development programmes focus on reaching across a spectrum of today’s current and emerging leaders and influencers—including in civil society, policy, academic and technical communities—to bolster informed and educated engagement in Internet issues and governance processes. Our project activities will include expanding online user education on key Internet governance and policy issues, supporting awareness and engagement in the IETF, and advancing the education of policymakers on the benefit of open standards development through direct exposure to the IETF. Key to our strategy will be increasing engagement and participation of our Chapters and Members in programme opportunities.

Launch of Internet Economy and Flagship Report: In 2014, we will launch an annual Flagship report to strengthen ISOC’s influence and position as an independent and trusted source for critical Internet data and information that tracks Internet growth, health, and economic impact around the world. It will provide a key tool for evidence based decision-making, local analysis, and advocacy for a range broad range Internet stakeholders and influencers. The work will draw on information and participation of our Chapters and Members as part of our efforts to create new and transparent data and indicators that illustrate the state of the Internet around the world and progress on key technical, policy, and development issues around the globe. The annual Flagship report will be augmented by open online data sets to empower further analysis, and tools and information that our global community can use to illustrate and compare regional and local challenges.

As noted above, more extensive programmatic overviews and additional details appear in Appendix B and key priorities by geographic region appear in the *Deepening our Regionalization Strategy* section below.

Key Functional Areas of Additional Focus and Commitment

While we anticipate only a modest increase in the level of expenditure for existing programmatic areas from 2013 to 2014, we will be making additional adjustments to increase operational effectiveness and implement the work required to produce impact. There are a number of key areas that require increased focus from ISOC given their implications on the Internet or the opportunities they present for the organization.

Key areas for additional focus and resource commitment in 2014 include:

- Deepening our Regionalization Strategy;
- Engaging our Membership and Chapter community;
- Enhancing Organizational Capacities
- Open Standards and IETF Support
- Supporting Board Governance and Organizational Planning

Deepening our Regionalization Strategy

Regionalization is key to the future development of the Internet Society and central to the achievement of its mission worldwide and to successfully addressing the challenges of our 2020 vision.

The continued success of our regionalization strategy is illustrated by events and achievements across the regions in 2013 that contributed to the overall goals and reach of ISOC while consolidating the recognition of ISOC as a regional stakeholder. Through focused and strategic engagement, the regional teams continue to build and enhance relationships and ISOC's profile and credibility across the wider ecosystem and extend the impact of ISOC's principles and positions. Coordinated action with chapters and a strong policy engagement with key stakeholders have allowed ISOC to put our vision and mission at the very center of the decision makers' agendas and build local support and partners. Similarly, ISOC's regional engagement, in close coordination with chapters, has been instrumental in key technical and policy debates and events, including IPv6, heightened international visibility and participation in the IETF and open standards processes and discussions in regional and global organizations.

Decisions are being made today about the future of the Internet at the local, regional and global levels. To be effective, ISOC must be present and integral to the development of positions and decision-making at local, regional, and global levels. By leveraging local knowledge, expertise and networks of stakeholders, as well as its regional achievements to date, our regional bureaus, working with chapters, members and other ISOC and Internet communities around the world, will be able in 2014 and beyond to expand local reach and impact on the local environment for the Internet and facilitate through capacity building and information an open, global and accessible infrastructure and sustainable local Internet ecosystems.

Our aim is that regional activities and ISOC regional leadership will be even more fully integrated into the fabric of the regions so that Internet shapers from all regions see the activities and positions of ISOC reflecting their interests as well. Regional Bureaus give regional perspective to global positions and listen to and integrate feedback as relevant to their regions.

Furthermore, our Regional Bureaus are instrumental to our cross-organizational efforts to advance Internet technology, policy, development and related capacity building around the globe. Appendix B provides an overview of key Internet Society projects and efforts for 2014.

2014 Regional Priority Snapshot

Our Regional Bureaus drive a range of key operational activities across a full spectrum of ISOC functions and programmes. At the same time, each Bureau also seeks to prioritize actions and activities that correspond to regional needs.

The table below provides a high-level snapshot of key issues that will receive heightened attention by our Regional Bureaus in 2014.

Objective by Region	Key Programmes over the next 3 years
Africa Our objective is to achieve a fully connected continent by 2020 with Internet for all as a tool to improve economic and social standards and standing for all.	• **Access and Infrastructure**—in particular ITE, through capacity building, equipment, IXP infrastructure and governance. • **Technical Outreach**—in particular for ccTLD, DNSSEC, IPv6 • **Capacity Building and Leadership**—in particular leadership programs and e-learning to support community building • **Policy**: Content, Internet Governance, Multi stakeholder Model, Privacy • **Outreach**: chapters, corporate, donor agencies, RECs, policy makers and regulatory entities
Asia Pacific Our objective is to position ISOC as an impartial advisor and source of information and advice to the wider community at large – underscoring our belief "the Internet is for everyone".	• **Development and Empowerment/Access** and Infrastructure, including rural access • **Technical Outreach**, including on ccTLD, DNSSEC, IPv6 • **Capacity Building and Leadership,** scaling Impact through e-learning and through inter-regional synergies and targeted information sharing • **Policy**: Privacy, Censorship, Trust of the Internet and applications, identity management and authentication, network neutrality and the mobile Internet • **Outreach**: corporate, donor agencies, policy makers and regulatory entities • A**nalyzing future points of presence in key internet economies**—India, Indonesia
Europe Our objective is for stakeholders across the region, including in CEE and CIS, to believe in and fully support the open Internet Model and reach out to other regions in the world to promote this model.	• **Technical Outreach**: on DNSSEC, IPv6 and Trust and Identity • **Capacity Building:** scaling impact through e-learning and through inter-regional synergies and targeted information sharing • **Policy**: Privacy, Trust of the Internet and applications, identity management and authentication, network neutrality • **Outreach**: media, chapter, corporate, donor agencies, RECs, policy makers and regulatory entities • A**nalyzing necessary future points of presence in key internet economies**—Russia, CEE, CIS

Objective by Region	Key Programmes over the next 3 years
Latin America and the Caribbean Our objective is for LAC to become a fully connected region, with special emphasis on the less developed countries in the region, with a more knowledgeable and organized Internet community stewarding such growth. Where gaps exist between governments and civil society, academia and enterprise, ISOC is seen as a trusted voice that can build bridges and move issues of access and security into the public dialogue.	• **Policy**—advocacy for the fundamental principles of the Internet Model and Internet Ecosystem, key messaging to illustrate the importance of the Internet to further economic and social development, governance, Internet boundaries, resilience and information management, online security. Key policy issues will relate to cyber security topics, and surveillance. • **Communities of Practice**—Work with, support and promote regional/national effective and efficient communities including ISOC membership and Chapters, NOGs, University Clubs, etc. • **Technical Outreach**—technical outreach on ccTLD, Sustainability in Emerging Countries, the FRIDA program, and NOGs. The voices of LACTLD, LACNOG and LAC-IX will also be enhanced and unified for a more powerful regional promotion of Internet issues and access. • **Development**: Internet access issues, underserved communities, promotion of IXPs, IPv6 deployment. • **Regional decision maker outreach**: strengthening ISOC presence in regional fora and the relationship with regulators, policy-makers and other decision makers
Middle East Region Our objective is that within 3-5 years, a majority of countries in the region will have embraced the Internet Model, with governments and policy makers engaged alongside ISOC staff, chapters and members to promote an open, resilient and sustainable Internet throughout the region.	• **Policy**: Internet Governance, Multi stakeholder Model, Privacy, Human Rights • **Technical Outreach**, in particular on standards, ccTLD, DNSSEC, IPv6 • **Capacity Building and Leadership,** in particular leadership programs, policy maker and regulator information sharing, sensitization and exposure and e-learning • **Outreach**: chapter, corporate, donor agencies, policy makers and regulatory entities
North America Our objective is to build a foundation for US and Canadian engagement with and through our chapters and members and for ISOC to become even more widely recognized as an authoritative organization that executes our mission in North America and beyond. ISOC's diverse activities to promote the Internet will be well known by everyone whose job relates to the Internet in any way.	• **Events** including INETs on key policy issues, such as Copyright Alert System update (Q1), Trust, Privacy and Identity, Internet Content Delivery Trends and Developments, and the Internet of Things**.** • **Corporate Outreach and Partnership Development** • **Policy Outreach**: in particular with the content community outside of the traditional policymaking process together with carriers and other stakeholders, as well as with US Government • **ISOC-NA Membership outreach**: focusing on areas with no chapter presence in order to grow membership and engage global members without a local Chapter presence. • **General Outreach and Communications:** through a proactive approach with press and media, including a monthly outreach on Internet issues of relevance to the region.

Implementation and Resourcing

The Regional Bureaus are responsible for advancing ISOC principles and agendas in their regions and for bringing regional perspectives to ISOC to advance shared outcomes. The Bureau Directors role is to be seen as general managers for their region, and as such they participate even more fully in the strategic planning of the organization.

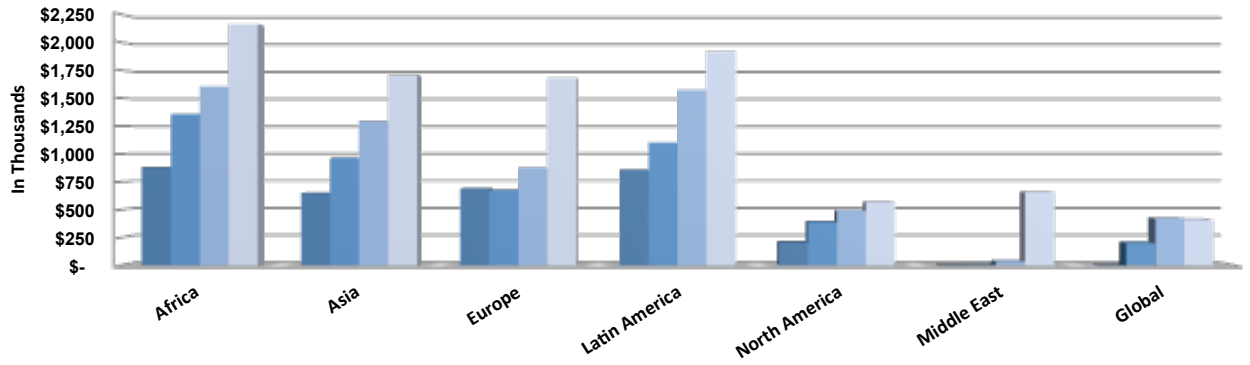
To further strengthen and expand the influence of the Regional Bureaus, consistent with ISOC's mission and principles, at the local and regional levels, it is essential to ensure strong Chapters, timely messaging, and the ability to respond to queries from the field effectively and coherently. This implies the creation of a regional and local ecosystem, and in particular the ability to launch a process of "regional strategic engagement" with partners, policymakers, and decision makers.

As our next step, in the Chapter Development staff will be managed from within the regions, working even more closely with Bureau staff and the Chapter Development team. They will be more closely integrated into the strategic definition and implementation for their respective regions. Public Relations, media, and event planning is also being transitioned into the regions. The total budget for all six Regional Bureaus (including the addition of a Middle East Bureaus in 2014) will be nearly $7 million in 2014 (plus some $2.6 million budget in grant fulfillment). The chart below shows the annual growth in our Bureau investment over the past 3 years and our resourcing plan for 2014.

Two changes affect this level of overall Regional budget. First, the move of Chapter staff to the Regions adds about $1 million to the Bureau budgets (with a concurrent reduction in Membership & Services). On the other side, not reflected in the Regional Bureau figures for 2014, are the direct expenses related to Grants and equipment donations. These are now reported separately under the classification of Fulfillment Expenses ($2.6 million for 2014, much of which is implemented across various regions).

Regional Bureau Costs

(2014 Includes Estimated Applied Grant Fulfillment and Donated Equipment Costs)*



	Africa	Asia	Europe	Latin America	North America	Middle East	Global
2011 Actual	$879,902	$646,824	$688,135	$855,292	$209,145	$-	$-
2012 Actual	$1,355,822	$964,921	$673,258	$1,101,549	$387,519	$-	$200,750
2013 Forecast	$1,600,596	$1,293,731	$876,556	$1,573,597	$488,602	$35,000	$422,311
2014 Budget *	$2,159,433	$1,705,592	$1,678,140	$1,915,228	$564,211	$656,978	$409,190

Engaging our Membership and Chapter Community

The Members and Chapters of the Internet Society are highly valued communities that form a special core of support, information, dynamism and commitment for achievement of the Internet Society mission worldwide, advancing the Internet Model, and strengthening our ability to achieve our objectives. The role of the Membership and Services Department is to advance and support these important ISOC communities. In 2014 the department will focus on the growth and success of the 2013 initiatives and the development of stronger inter-community links for collaboration and impact. In particular, the strategic goals for the department are:

- Improving overall communications to our communities from the department; improving systems, providing a high level of flexibility, individualization and opportunities for collaboration.

- Assuring the empowerment, autonomy, self-sufficiency and staff support for Chapters in ways the community finds most useful for the advancement of the ISOC mission
- Measuring the effectiveness and impact of our programmes and events
- Supporting ISOC Program departments through dynamic bi-directional community engagement for input to strategy and operations, community capacity development and advocacy for influence. In particular, support re-structuring for a robust and substantial Regionalization of the Internet Society

The following tables provide a summary view of 2014 programmatic direction for our Membership and Services work:

Interdepartmental Initiatives	Purpose	Departments
Engagement	Establish and expand a robust, multi-level platform that brings community members together on any topic of their choosing	IT, Resource Development, Communications, IL
Supporter and Membership Development	Leveraging " Sustainable and Open Internet" and "Take Back the Internet" campaigns for outreach and awareness	All departments including Senior Management

Chapter Support	Purpose
Chapter Event funding	Chapters to host events, engage local Internet ecosystem participants and build awareness of key Internet issues and ISOC positions
Chapter Travel Fellowships	Funding for Chapters to attend and participate in key ISOC events
Chapter Tool Kits Development	Chapters' tools to train on and promote key ISOC issues/programmes
Chapter Administrative Support	Selected Chapters will receive support to administer members and projects
Chapter Agreements	All Chapters will have a written relationship document with the Internet Society defining reciprocal roles and responsibilities
Engagement Platform	Members and Chapters will have a simple, comprehensive platform for communication, program development and idea sharing
Develop an effective Chapter Advisory Body	With Chapter leadership, develop and facilitate a Chapter advisory body that reviews critical chapter issues & provides sound, implementable advise to the Staff and Trustees

Individual Membership	Purpose
Develop social media supporters into advocates and members	Renewing and new members will have opportunities to participate in a variety of ISOC events and programs, encouraging engagement and direct participation
Outreach to other organizations to develop supporters	Building on our 2013 outreach to universities and other organizations, develop a wide range of social media supporters and advocates in order to scale our impact
Provide real, unique value for individual members	Pilot an ISOC federated Internet identity for single sign-on and authentication on the Internet. Develop a granular, flexible approach to member engagement options (e.g. opt out of specific communications)

Organizational Membership	Purpose
Engage Senior Executives of our Organization members in our mission and strategy develop	Strengthen and increase ISOC visibility, impact and value to organization members
Develop strong working relationships with organization members around regional and topical interests.	Work directly with organizations on an individual, industry and regional basis to develop programs that leverage common interests in support of mission objectives and increased interaction between ISOC communities
Provide resources and support for the Advisory Council	Work with AC officers and members to provide evidence-based input to the Board of Trustees for the improvement of ISOC strategy and operations

In 2014 Membership and Services expenses will provide systems, outreach and communications in support of our strategic goals, as outlined above, and which advance ISOC Regionalization efforts. This will include planning and implementing the transfer of appropriate resources to the Regional Bureaus. Overall expenses will be at 2013 levels overall.

Enhancing Organizational Capacities

Information Technology

ISOC recently conducted an extensive inventory of our information technology systems and a future-looking analysis of tools required to support our global presence, enhance our ability to reach our community, and other requirements to meet business needs more efficiently.

In 2014, our goal will be to enhance our information technology infrastructure to deliver key capabilities and projects allowing ISOC to collaborate more effectively internally, better interact with our constituents, and increase ISOC's transparency to our community.

Key information technology projects we will seek to implement include:

Association Management System (AMS): Since implementation in 2009, ISOC has advanced the capabilities and utilization of its AMS to provide a common location for membership and event information. 2014 will bring a major revision that should accelerate the usability of the system while providing streamlined functionality within ISOC and for our Chapters and others who interface with the system. As this AMS system is a major collection point for organizational data, it will also serve as tool in fulfilling pieces of the 2020 strategic vision while contributing to the body of data needed to create a robust business intelligence and dashboarding initiative.

Business Intelligence and Dashboarding: The Internet Society utilizes several systems to facilitate data collection and storage. These systems include everything from membership and chapter data to financial management, chapter involvement and event registrations. In an effort to create a consolidated framework of all of this data to help the Board of Trustees, Management and staff to make information-based decisions, we will undertake a business intelligence project. This project will develop the appropriate process, system and knowledge resources needed to provide this insight. The overall goal is to provide a set of resources ISOC can utilize to manage the organization, make decisions and provide increased transparency.

Engagement / Portal Platforms: ISOC currently provides venues of content and functionality across several systems and services with very little integration across the suite of tools, This project, would develop and provide a one-stop location for access to all of the information and services ISOC provides. The project would start with the internetsociety.org website and then flow out to other web properties, including:

- ISOC Membership Portal
- ISOC Chapter Portal
- Access to engagement / community platform
- Single Sign-on for all web properties
- The Learning Management System

Relationship Management: As ISOC looks to increase its fundraising capabilities to meet the financial demands of current and future programs; there is a need for a consolidated and professional view and interaction with current and potential funders. Additionally, the 2020 strategy includes organizing a global network of skillsets and knowledge to extend the work of ISOC out through this network. Looking to extend the functionality of our AMS or integrate a new platform, this project will provide the technology to facilitate both needs.

Operational and Productivity Projects: In an effort to increase staff productivity and enhance areas such as security, accessibility and functionality, IT will take on various initiatives to meet the every day needs of ISOC's mission, growth and operations. Activities include conversion of all ISOC web properties to our open-source CMS, consolidation of hosting facilities, increase resilience of websites via a content delivery network mirror, and curating of key collections of data and information around the organization.

Philanthropy and Partnerships

Formerly known as Resource Development, the Department of Philanthropy and Partnership Development was renamed to better reflect the work that it is mandated to accomplish. The department is responsible for the Community Grants Programme, which includes the administration of and making grants to our Chapters and/or Members of the Internet Society - hence the name Philanthropy. Additionally, the department is responsible for building partnerships in order to raise revenue from corporations, foundations, (including private and corporate) and governments (bi-lateral and multi-lateral organizations) and securing endowment support from individuals and other sources for our Campaign for the Open Internet.

The Department's goals for 2014 are to:

- Create a world class, sustainable fund raising operation that will expand and diversify the revenue that supports the mission and activities of the Internet Society;
- Build cross-organizational capacity and engagement to expand membership, sponsorships, partnerships, grants and individual income; and
- Raise all restricted and unrestricted revenue in support of the annual budget and the overall mission, which will allow the Internet Society to advance as a leader on international policy and governance, technology and development at the global, regional and local level.

Since the appointment of the Senior Director of Philanthropy and Partnership Development, the department has gone through a realignment to place all fund raising activities under one umbrella. That is to say, fundraising activities that were split between the Membership & Services Department and Philanthropy & Partnership Development have all been consolidated and are housed under the latter department.

The Senior Director of Philanthropy and Partnership Development in conjunction with the COO will work collaboratively and coordinate all activities related to revenue generation across the organization. Specifically, she will work closely with the Senior Management Team and others across the organization to ensure that the revenue targets are achieved in 2014.

Key activities in 2014 that will afford success in revenue generation will include:

- Strategic alignment with all programme content teams, including regional bureau directors, on focus and impact to support ISOC's mission and enhance fund raising efforts;
- Building multi-year partnerships and strategic alliances with Corporations, Foundations, Governments (bi- and multi-lateral) and Individuals globally working in partnership with regional bureau directors and others;
- Strategic alliance with Communications to deliver effective messaging through collateral development and other means to enhance the value proposition for funding ISOC's work; and
- Working closely with Finance to sustain coordination and collaboration on revenue generation and forecast to ensure reaching the organizational financial goal.

Financial detail on revenue generation expectations and targets are outlined in Section III *Resourcing and Funding our Mission*.

Open Standards and IETF Support

Open standards are fundamental to the development of the Internet. ISOC advocates for open standards through various programmatic efforts and also supports open standard organizations. A fundamental component of our

mission and organizational purpose is supporting the IETF. The 2014 request for IETF support is $2.0-$2.1 million, approximately the same level as the 2013 plan (including capital expenditures). The IETF Administrative Oversight Committee (IAOC) has submitted this budget for 2013 for approval by the ISOC Board of Trustees, as part of our overall 2014 budget.

An additional expense item is being absorbed in ISOC's annual budget beginning in 2014. A Platinum Sponsor has agreed to donate replacement equipment to support the IETF meeting communications and wireless network. Under an agreement, this sponsor will replace the equipment every three years, at an estimated market value of $1 million. Accounting rules require ISOC to recognize the contribution when the equipment is received, and depreciate the value of the equipment over each of the following three years.

At this time of this writing, ISOC has not included this contribution in either its 2013 Mid-Year Forecast or its 2014 Revenue Budget, as the timing of the equipment deployment has not been established. We have, however, included the extraordinary depreciation expense in the 2014-2016 financial budget and the 2015-2016 financial outlooks, and will adjust related revenue lines for the in-kind donation when the equipment is in place. Note that both the revenue and the annual depreciation are non-cash items.

Supporting Board Governance and Organizational Planning

The Internet Society Board of Trustees works with management to provide strategic direction in pursuit of the ISOC Mission and goals. In 2013, the Board of Trustees and ISOC's management team began planning for the activities of the Society for the next 5-10 years. We plan to continue work in conjunction with the Board, incoming CEO, and our community to implement future-looking plans, including the key capacities identified in our 2013 work.

To ensure funding for these activities, plus the general governance work of the Board of Trustees, a separate line item has been used beginning with the 2013 budget. For 2014, the budget includes $350,000, to cover continuing Board governance work and joint long-term planning. In 2014, this budget will also cover the costs of regular Board meetings and general travel (previously included in General & Administrative).

To assist in additional planning, due to the transition to a new CEO in 2014, the 2014 budget also includes a "CEO Discretionary" budget of $150,000 to allow for further activities and planning under the incoming CEO.

Additional financial detail is provided in Section III *Resourcing and Funding Our Mission* and *Appendix A* below.

III. Resourcing and Funding our Mission

Resourcing our Work

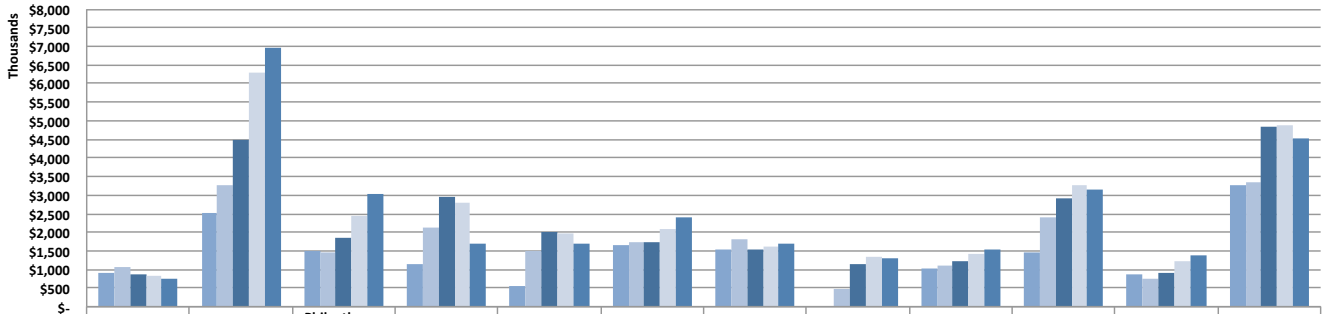
We strive to put all available resources internally and externally to work in the fullest possible pursuit of our mission. We continually revise our activities and plans to ensure our resources are aimed at the areas that matter most. We also transition, scale down, or retire activities that have run their course, or that can be better done elsewhere. For example, in 2014, areas in which we have revised our approach include:

- Evolving our emphasis in Public Policy, including using our "Open and Sustainable Internet", campaign to focus efforts while gearing up for critical conferences, and more effectively leveraging our Regional Bureau and Chapter presence to extend our reach on regional and local policy issues;
- Making our Deploy360 efforts more efficient and scalable, including seeking revenue and sponsorship opportunities to support programme expansion;
- Continuing our critical technical work and community building activities under our Trust and Identity portfolio work while increasing respond to key issues raised by government surveillance concerns;
- More fully leveraging our recently deployed Learning Management System to increase efficiencies of our capacity building efforts across the organization;
- Increasing emphasis on Chapters, new influencers and policy maker leadership development activities, including our successful programme to introduce Policymakers to the IETF; and
- Further supporting the Latin American and Caribbean Bureau and the IETF in building momentum and local participation in IETF95, which is planned to be hosted in the region.

Based on increasing reliance on ISOC-Generated revenues, while facing a broadening need for leadership from the Internet community, the Internet Society's 2014 Budget seeks to align the use of resources to its expected sources of funds. We plan to keep the level of staffing relatively stable in 2014, limiting new staff to areas where these additions will make our work more efficient and cost effective. As such, the 2014 budget includes bringing in-house key functions in the Communications and Information Technology departments, with one FTE each to staff activities that are currently outsourced. Our current year-end staffing expectation for 2014 is 93 FTEs.

The Internet Society reports its expenses according to functional area, or department. Functional area expenses include both internal expenses (largely personnel costs and travel) and core external programme expenses. Total Functional expenses (excluding contributions to IETF) for 2014 are budgeted to be $30.1 million. The graph below provides an overview of our resourcing plan by department compared to prior years (years prior to 2014 include Fulfillment costs).

Total Internal & External Expenses by Functional Area ($000's)



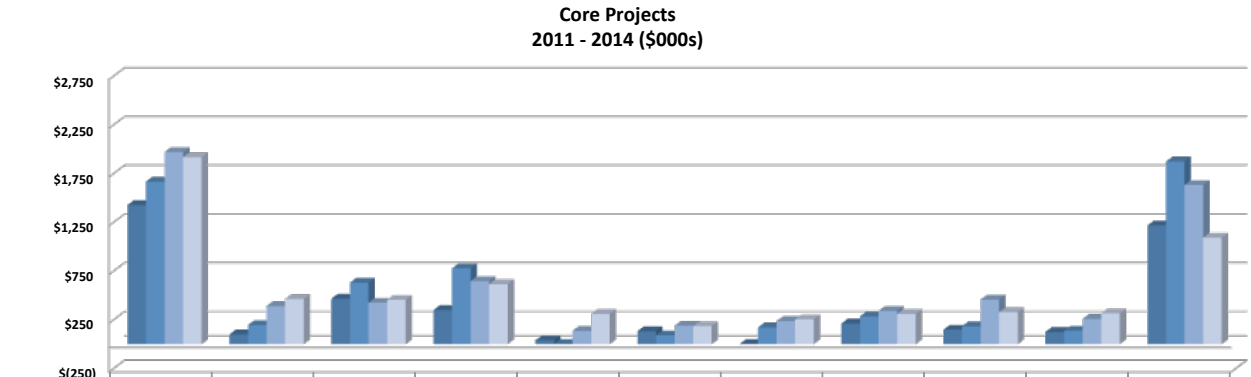
	COO	Regional Bureaus	Philanthropy and Partnership Development	Membership & Services	Leadership Programs	Information Technology	Standards & Technology	DO	Trust & Identity	Public Policy	Strategic Development	Comms (excl INET/Hall)
2010 Actuals	$911,957	$2,528,786	$1,494,211	$1,137,468	$572,456	$1,661,901	$1,547,901	$-	$1,034,581	$1,458,933	$888,012	$3,250,927
2011 Actual	$1,069,730	$3,279,298	$1,458,375	$2,138,021	$1,500,920	$1,739,750	$1,815,068	$489,967	$1,118,651	$2,394,494	$760,410	$3,358,074
2012 Actual	$859,406	$4,485,646	$1,841,562	$2,935,769	$2,022,995	$1,739,011	$1,525,111	$1,130,238	$1,207,340	$2,925,273	$921,449	$4,831,883
2013 Forecast	$818,235	$6,290,393	$2,435,323	$2,808,613	$1,976,381	$2,073,345	$1,613,039	$1,338,638	$1,413,864	$3,276,435	$1,205,173	$4,870,393
2014 Budget	$761,714	$6,950,772	$3,038,751	$1,695,522	$1,696,145	$2,409,041	$1,685,445	$1,283,660	$1,535,169	$3,135,505	$1,393,816	$4,509,113

Core Programmes (External Expenses) within Functional Area Budgets

Each functional group manages external expenses related to the activities within that group, or headed by that department. These expenses are not meant to be the total costs of programmes, as our staff serve as leaders and

contributors to all the work of the Society. The following chart reflects the relative external expenditures over the past four years (including 2013 Mid-Year Forecast and 2014 Budget). Some points of special note:

- Prior to 2014, Bureau programmes included the costs of fulfilling major grants (some costs were also included in the Strategic Development and Leadership departments in 2013). Beginning in 2014, these fulfillment costs are reflected separately ($2.6 million in the 2014 budget). In addition, the North America Bureau was added in 2011 and the Middle East Bureau will be added in 2014.
- The increase in Philanthropy & Partnership programme expenses reflects the introduction of Endowment efforts in 2013, and the consolidation of revenue resources in 2014.
- Although direct Chapter engagement has been moved to the Regional Bureaus in 2014, major Chapter programmes remain under the Membership & Services group.
- The decline in Communications Department expenses in 2014 represents a shift of some functions to the Regional Bureaus, as well as efforts to bring some public relations and social marketing functions in house.



	Bureaus	Philan & Partnership Devel	Membership & Services	Leadership	IT	S&T	DO	Trust & Identity	Public Policy	Strategic Devel	Comms (excl Global INET/ Hall)
2011 Actual	$1,427,000	$100,000	$467,000	$350,000	$39,000	$133,000	$-	$212,000	$148,000	$125,000	$1,217,000
2012 Actual	$1,666,896	$195,960	$630,912	$777,910	$473	$89,872	$170,936	$285,667	$183,065	$137,616	$1,873,514
2013 Forecast	$1,969,957	$390,000	$424,566	$646,508	$136,313	$188,152	$236,484	$341,168	$456,742	$258,510	$1,633,000
2014 Budget	$1,918,000	$462,000	$453,922	$615,906	$309,698	$185,000	$254,500	$310,000	$328,000	$315,000	$1,092,000

Revenues

We organize the revenue that funds our mission into two main categories:

ISOC-Generated Revenue which derives from organizational and individual contributions, sponsorships, grants (including private and corporate foundations and government funding), and registration fees for ISOC and IETF activities; and

Contributions from PIR which are received through our relationship with the Public Internet Registry.

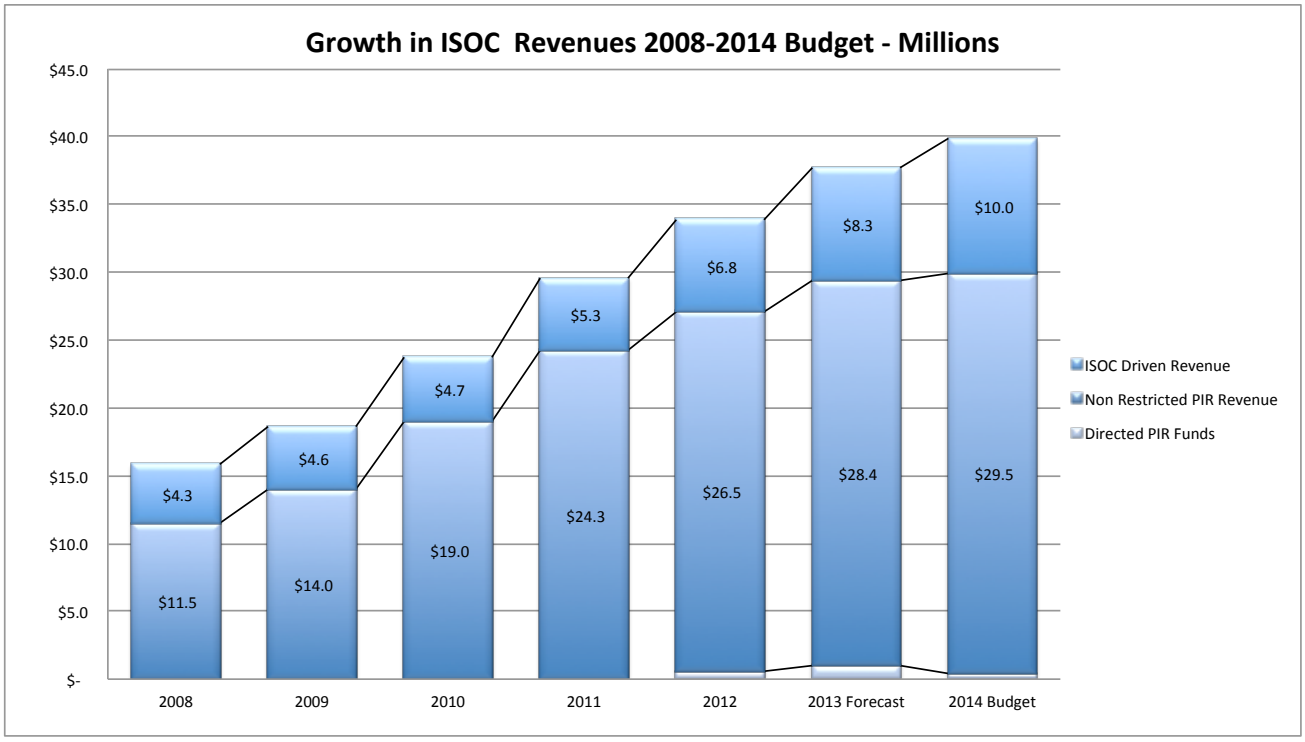
In 2014, we project that total ISOC-Generated revenues will be $9.95 million, increasing from our Mid-Year 2013 Forecast of $8.3 - $8.6 million. A number of exceptional items allow us to forecast this increase in 2014:

- IETF sponsorship and meeting attendance revenues are forecast to increase more than $700K in 2014, due to full sponsorship of meeting room and related cost increases, increases in other IETF sponsorships, and a slight increase in the number of attendees;
- Sponsorships or Grants for Internet economic research and publications, headed by our recently hired Chief Economist, provides enhanced funding opportunity for ISOC, starting with $240K in 2014;
- The value of donated equipment is forecast to increase more than $100K based on a multi-year commitment to provide IXP equipment around the world; and
- Membership revenues are expected to increase 8% over the Mid-Year Forecast level for 2013.

SUMMARY Revenues - Unrestricted 2014 Budget Revenue	2014 Budget	Mid-Yr Frcst	'14 vs. '13 Frcst	% Chnge	2014 StretchGoals
GROSS REVENUES - Unrestricted Sources					
Memberships and Platinum Sponsorships					
Org Membership/Platinum Sponsorships	$ 2,020,000	$ 1,850,417	$ 169,583	9%	2,220,000
Individual Member Dues & Donations	10,000	25,000	(15,000)	-60%	15,000
Memberships and Platinum Sponsorships	2,030,000	1,875,417	154,583	8%	2,235,000
Sponsorships					
Sponsorable Programs (excl IETF)	1,328,500	841,000	487,500	58%	2,025,000
Major Equipment Donations	600,000	475,000	125,000	26%	600,000
IETF Sponsorships	1,525,000	931,780	593,220	64%	1,525,000
Sponsorships	3,453,500	2,247,780	1,205,720	54%	4,150,000
Grants	1,947,000	1,810,000	137,000	8%	2,010,000
Registration and Fee Revenue				-	
Registration Fees (excluding IETF)	135,000	135,610	(610)	0%	141,000
IETF Meeting Registration & Other IETF Revenues	2,390,000	2,242,179	147,821	7%	2,444,400
Registration and Fee Revenue	2,525,000	2,377,789	147,211	6%	2,585,400
PIR Contribution to ISOC	29,500,000	28,000,000	1,500,000	5%	29,500,000
Project 94 PIR sale of 1-2 charact domains	-	400,000	(400,000)	-100%	-
PIR Restr Funds Applied for Unrestricted Use	416,000	1,000,000	(584,000)	-58%	416,000
TOTAL GROSS REVENUES Unrestricted Sources	**$ 39,871,500**	**$ 37,710,986**	**$ 2,160,514**	6%	**40,896,400**
FULFILLMENT EXPENSES			-		
Total Grant Fulfillment Expenses	1,968,000	-	1,968,000		2,015,700
Total Major Equipment Donations	650,000	-	650,000		650,000
TOTAL FULFILLMENT EXPENSES	**2,618,000**	**-**	**2,618,000**		**2,665,700**
NET REVENUES - Unrestricted Sources	**$37,253,500**	**$37,710,986**	**$ (457,486)**	-1%	**38,230,700**
ISOC Generated Revenue	9,955,500	8,310,986			10,980,400

The goals in the base revenue plan for 2014 represent targeted efforts to continue to diversify ISOC's revenue base. Recognizing that the 2014 base revenue projections do not cover funding for all "wished for" ISOC activities, we have developed a stretch goal at $10.98 million (10 % above the base) that illustrates revenue increases in sponsorship opportunities for key programmes. The Philanthropy and Partnership Development team will lead these efforts to enhance revenue acquisition in partnership with all staff across the organization, and in particular working closely with the senior management team.

While a substantial portion of ISOC revenue continues to come from PIR, efforts over the past several years to broaden our funding base are coming to fruition. As indicated in the chart below, the proportion of revenues from ISOC-Generated Revenue has grown from 18% in 2011, to 21% in 2012 to 23% in the 2013 Mid-Year forecast, and 25% in the 2014 budget, remaining a top priority.

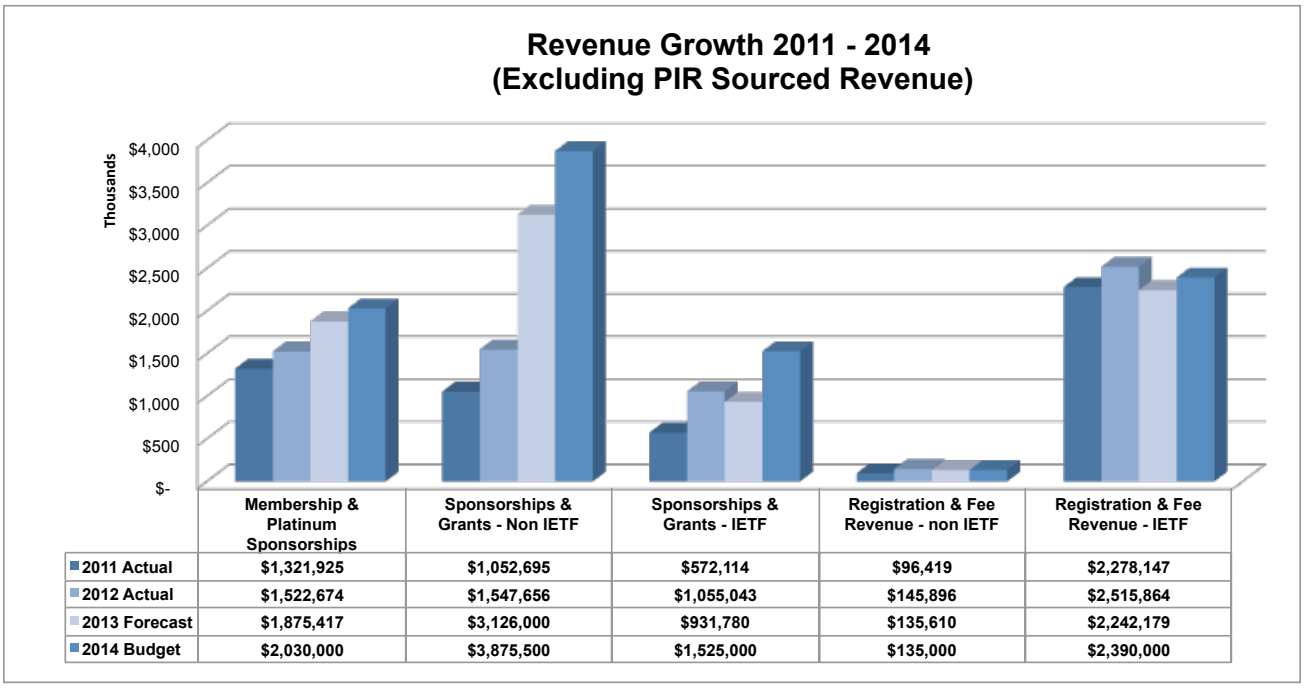


Below we provide further detail on each of our major revenue categories.

ISOC-Generated Revenue

Expanding ISOC-generated revenue continues to be a strong strategic objective for the organization. Traditionally, ISOC generated revenue has focused on the unrestricted support we receive through membership and programme sponsorship opportunities. This will continue and our offerings to donors will deepen as relationships expand.

As shown in the graph below, ISOC expects to continue to make strides in the areas of Memberships and Sponsorships as it builds closer ties between our donors in these categories to the work we do. At the same time, with expanded efforts to diversify our revenue streams, increased attention will be given to securing support from the private and corporate foundation funding community as well as through government sources globally. We separate IETF revenue from these charts; however, ISOC is still responsible for generating IETF sponsorships and meeting host contribution requirements.



	Membership & Platinum Sponsorships	Sponsorships & Grants - Non IETF	Sponsorships & Grants - IETF	Registration & Fee Revenue - non IETF	Registration & Fee Revenue - IETF
2011 Actual	$1,321,925	$1,052,695	$572,114	$96,419	$2,278,147
2012 Actual	$1,522,674	$1,547,656	$1,055,043	$145,896	$2,515,864
2013 Forecast	$1,875,417	$3,126,000	$931,780	$135,610	$2,242,179
2014 Budget	$2,030,000	$3,875,500	$1,525,000	$135,000	$2,390,000

Our strategy for generating nearly $10 million in ISOC-generated revenue target in 2014 includes efforts to:

- Build deeper and new multi-year membership and sponsorship opportunities by:
    - Continuing to target new industry sectors particularly the satellite, security, content, international operator, finance and gaming sectors, to name a few;
    - Deepening our membership base in the non-commercial space by increasing membership and sponsorship opportunities in the non-profit and education sectors including colleges and universities;
    - Leveraging and extending financial support and engagement for ISOC programmes to increase membership value and derived benefit; and
    - Strengthening sponsorship opportunities for flagship programmes and key events, including IETF meetings, the Internet Hall of Fame programme, and regional INET meetings in 2014, among others.
- Develop and expand a robust pipeline of private and corporate foundation grant opportunities to support ISOC programmes and ensure grant-funded activities comply with donor requirements.
- Maintain and deepen government funding globally to support ISOC programme activities around the world.
- Engage high value donors to financially support ISOC and our programme activities, including the Open Internet Endowment.

We moved in 2013 to a more streamlined approach to how we report and track revenue, organizing it according to revenue recognition category (membership, sponsorship, grants and registrations). In 2014 we expect to further refine this process as we build each of the revenue streams into restricted and unrestricted sources. We continue to track grant and most sponsorship revenue by programme. We no longer attribute membership revenue to particular programmes, as members are generally motivated to join ISOC to support the broad range of our work. Our 2013 streamlined approach to revenue reporting is built upon our resource development philosophy that we generate interest and support in ISOC by focusing first on ISOC's full mission and principles.

Organizational Membership/Platinum Contributions: $2,020,000
Our 2014 plan focuses on thoughtful, aggressive development of value to Members around the globe with commensurate return to ISOC. More attention will be given to scaling up support of current Members and assuring there is realized value to them through various ISOC activities and initiatives including but not limited to , the Internet Hall of Fame, INETs, NDSS, and the Internet Leadership programme, to name a few. These and other programmes represent significant value for ISOC membership. To assure this value proposition reaches both current and potential members we will extend our marketing and outreach efforts, and the Marketing Manager addition to the Communications department will be important to this effort. Creating multi-year funding opportunities with our larger organizational members and drawing public attention to our programmes and successes will be critical to attracting and growing membership. This is particularly true for those who have strong interests in Internet policy and technology and to organizational stakeholders that are underrepresented in our memberships in such areas as e-commerce, banking, and universities.

The proposed revenue represents an increase of 9% in planned Organizational Membership revenue over the 2013 Mid-Year Forecast. Our Philanthropy and Partnership Development team working in concert with the Membership and Services department, and others across the organization, makes this a realistic objective.

Individual Memberships and Donors: $10,000
ISOC's efforts to recruit individual donors and members has been challenged over the last two years primarily because we are still developing the tools, including the appropriate staffing, essential to a robust individual giving program. It is for that reason that our goal this year is significantly less than in previous years to ensure that it is met while we continue to restructure the existing program to guarantee success.

ISOC will continue to focus on our relationship with technology-based organizations for our efforts to attract Individual Members and donors. Additionally, ISOC intends to lay the groundwork in 2014 to attract individual donors and membership contributors that are outside the technology community. This step is critical as it will help set the stage for a more directed individual giving program and ultimately our efforts with the Endowment.

Further, we will continue to develop the right membership enlistment and donor campaigns to meet 2014 individual membership and donor goals.

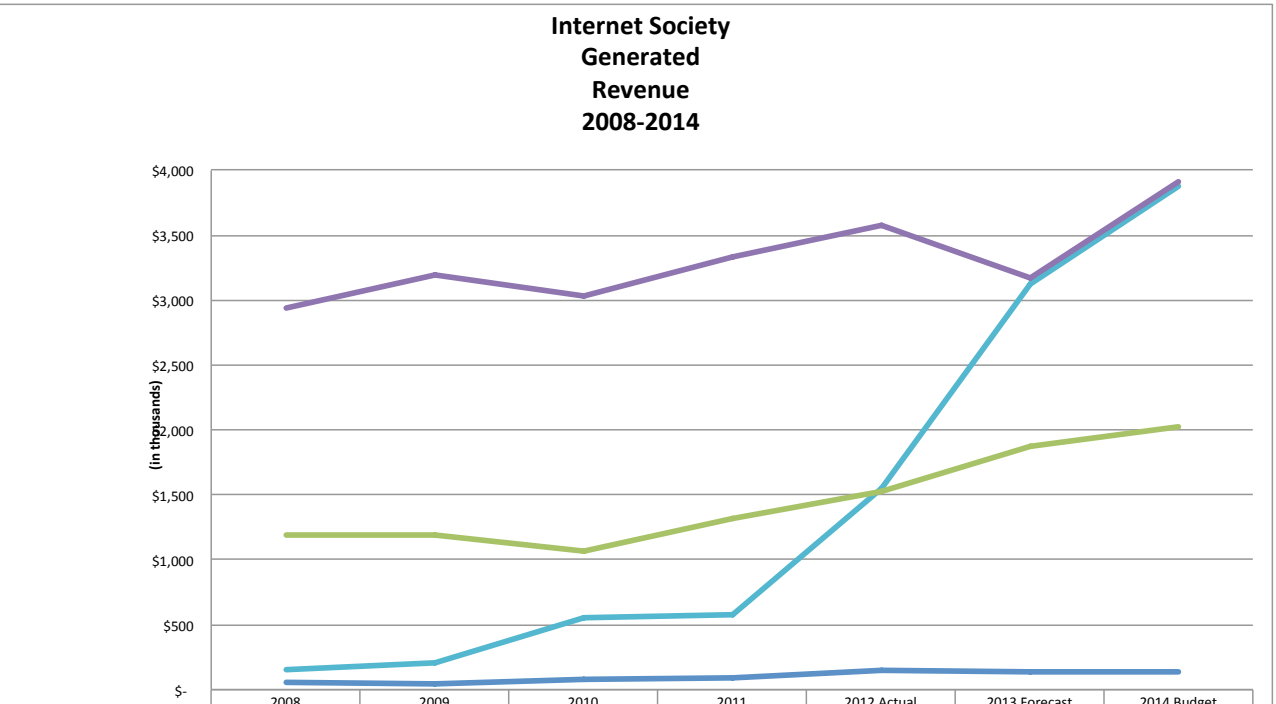
Sponsorships (Excluding IETF Meeting Hosts and Sponsorships): $1,928,500
We present a budget for non-IETF Sponsorship totalling $1.9 million, compared to our forecast for 2013 of $1.3 million. The largest part of this growth reflects partnerships in developing unique economic studies such as the "State of the Internet" project, and funding for timely events such as the DNS Forum and Spam Project. With a growing Hall of Fame event, we also expect sponsorship to increase for that function.

Grants: $1,947,000
Approximately $1.6 million of this funding is already committed (e.g., the Internet Leadership programme, Internet advertising grant, the African Union AXIS I and II grants, and IXP tool-kit grant from Google.org) or strong grant applications have been made to potential donors and the results for funding look extremely promising. Our grant pipeline is quickly expanding and represents a significant focus and source for our revenue growth plans. However, we note that there is often a lengthy lag period (about 18-24 months) between the grant application, the award of a grant, and the activities that allow us to recognize the grant revenues. For example, in 2011, we received a grant for work in Latin America, from which we recognized about $135,000 in 2013 funds from this $423,000 3-year grant. In 2012, we received a grant from the African Union (AXIS grant) for $677,000, a portion of which will continue to be earned and recognized in 2014. We have recently been awarded a follow on grant for additional workshops in Africa (the AXIS II grant) to be earned in 2014 and 2015. Further, in 2014 we will also be implementing the second year of our grant from Google.org to extend our Internet exchange point (IXP) activities in emerging markets.

IETF Meeting Host and Sponsorships: $1,525,000
ISOC secures sponsors and meeting hosts for IETF meetings. The amount funded by the host depends on the venue and the cost of supporting a meeting at that venue. In addition, ISOC secures funding for other functions at the IETF meetings. Due to the London, Toronto, Honolulu venues for the 2014 meetings, sponsorship for IETF meetings, the NOCs, and smaller functions is budgeted to increase from $932K in 2014 to $1,525K in 2014.

Registration and Fee Revenues: $2,525,000 (dominated by $2.4M in IETF Registrations)
IETF registration fees will continue to make up the majority of revenue in this category with a growing amount collected from those attending the annual NDSS. ISOC will continue to seek to provide value-based opportunities for attendees to other events, while continuing to emphasize the advancement of our core mission and values to members and non-members alike. Consequently, other registration and fee revenue will continue to make up only a small portion of ISOC's revenues.

Although still overshadowed by PIR sources of funding, the following graphic shows growth in both Membership and Sponsorship and Grant Revenues beginning in 2011, even as PIR contributions began to slow.



	2008	2009	2010	2011	2012 Actual	2013 Forecast	2014 Budget
Non-IETF Registration	$57,915	$43,552	$79,328	$96,419	$145,896	$135,610	$135,000
Non-IETF Sponsors/Grants	$153,688	$201,266	$551,082	$572,114	$1,547,656	$3,126,000	$3,875,500
Membership	$1,193,967	$1,187,820	$1,066,684	$1,321,925	$1,522,674	$1,875,417	$2,030,000
IETF Mtg Reg & Sponsors	$2,933,882	$3,189,072	$3,033,123	$3,330,842	$3,570,907	$3,173,959	$3,915,000

Contributions from PIR

While contributions from PIR will continue to be the bulk of ISOC's source of funding (approximately 75% in 2014), efforts to diversify our revenue are paying off and that percentage is expected to continue to fall (from 82% in 2011).

PIR's 2014 Contribution: $29,500,000
PIR's Board has indicated that their contribution target for 2014 is forecast to increase to $29.5 million (from $28.0 million in 2013), and remain at this level over the three-year planning cycle.

Restricted Funds Applied for Directed Use: $416,000
In 2010, PIR made a $2 million "directed" contribution to ISOC, for use in support of IETF outreach activities. We have used these funds for that purpose in 2012 and 2013, with the final $416K to be used in 2014. This drawdown is reflected separately in the Revenue Plan as "Restricted Funds Applied" and is dedicated to a wide variety of IETF outreach events (particularly in developing regions) and other ISOC activities in support of the IETF in the areas of Open Internet Standards, WCIT/WTSA policy work, and through our S&T activities.

Non-Recurring Funds From PIR (None Assumed in 2014 Operational Budget)
PIR contributed $10 million in a non-recurring contribution to ISOC, drawing on their built up of funds over the past several years. ISOC has taken the position that such non-recurring funds should not be used to fund normal operational needs of the Internet Society. Proposals for the use of these non-recurring funds are under review.

IV. 2014-2016 Business Plan Summary

Our 2014 Business Plan is grounded in our aspiration for the Internet Society to be the foremost global voice and leader for the Internet of today and the future, ensuring that a vibrant, open, and sustainable Internet is available to everyone, as well as in the Strategic Objectives established by the Board of Trustees in 2014:

A. Strengthen and defend the open development and evolution of the Internet, including open Internet standards, technology and infrastructure development, deployment and innovation,
B. Advance the open, participatory, multi-stakeholder model of Internet governance and policy approaches that support Internet principles and user-centricity,
C. Bridge the digital divide by growing Internet connectivity and capabilities throughout the world, with special emphasis on developing regions, and
D. Advocate for the open, global Internet for all the world's people.

We have worked to balance operational and strategic priorities while continuously striving to be as leading edge and topical as possible. We continue to localize our efforts through work with Regional Bureaus, Chapters, Members and partners across the Internet policy, development, and technical communities.

The Budget for 2014 reflects overall Gross Revenues of $38.9 million (6% annual growth from the 2013 Mid-Year Forecast), applied toward the new category for Fulfillment expenses ($2.6 million) and Operating Expenses ($37.0 million). The percentage of ISOC-generated funding is expected to increase to 25% in 2014, representing consistent year-on-year growth revenue diversification.

The result is a 2013 budgeted Net Operating Surplus of just over $200,000. After Interest Income and non-cash items, the budget reflects an increase in our surplus and hence in Continuity Reserves by approximately $750,000 by the end of 2014.

Advancing the Internet Society's mission and building a strong future for the Internet requires the collaboration of individuals across a broad range of disciplines, interests, cultures, and geographies. Hence, we work inclusively to convene and build understanding among stakeholders and other parties. Our Chapters, Members and Board all play an instrumental role in our efforts, reaching out globally and locally and contributing diverse knowledge and expertise. We look forward to building on the tremendous base and past accomplishments to make 2014 ISOC's most impactful year yet.

V. Appendices

Appendix A. Additional Financial Information

Overview

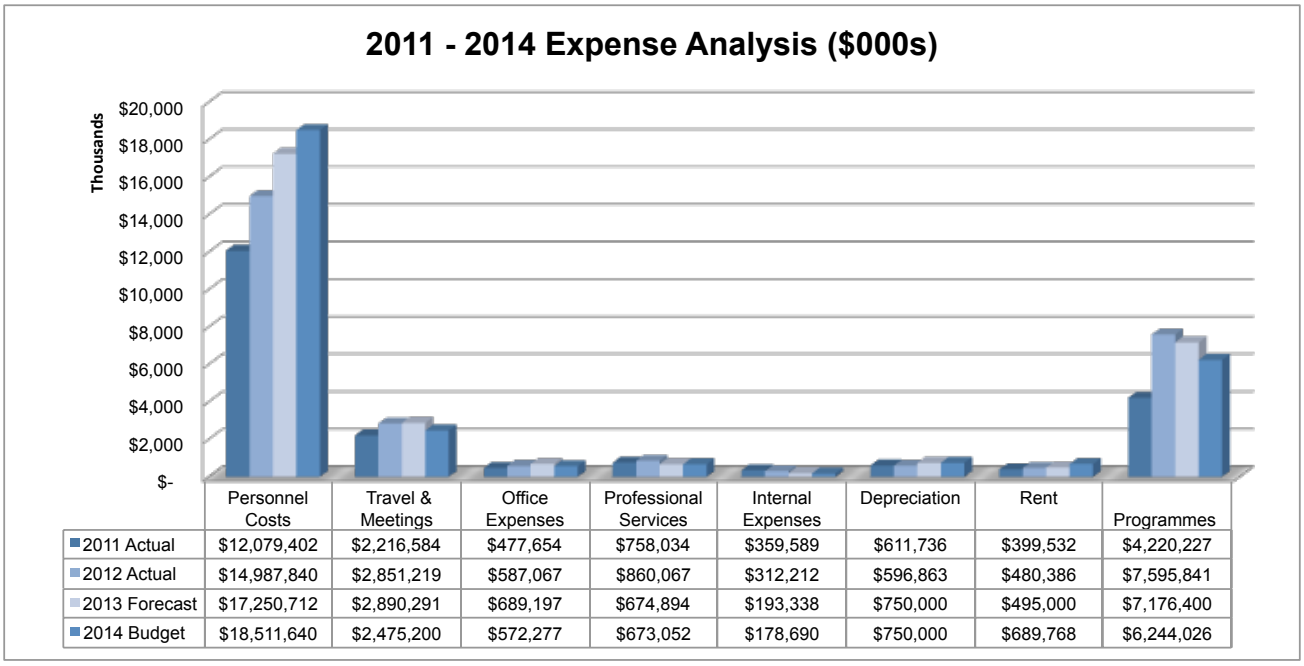
This section includes supplemental information in support of the 2014 Budget, the 2015-2016 Financial Outlook, and related fiscal analyses and matters. Full financial presentations of the 2014 Budget and the 2014-2016 Financial Outlook are included at the end of this section to show the overall fiscal impact.

Expenses by Category

An overview of functional area emphasis is addressed in Section III of this Business Plan. The distribution of 2014 expenses by category is shown in the following graphic, based on the budget for Functional Area expenses (both internal and external costs) totalling $30.1 million.

Overall expenses by expense category from 2011 through the 2014 budget are reflected in the graphic below. In 2014, the growth in Personnel costs largely reflects the full-year impact of 2013 staff additions and the normal increase in pay and benefits in 2014. Programme budgets decrease in 2014, as the expenses related to grant-funded programs ($2.6 million projected in 2014) have been separated as Fulfillment Expenses in a separate section of the financial reporting.

In addition to the Programme budgets which represent only the external portion of ISOC's programmatic efforts, the majority of our staff are directly related to the delivery of programmes and other deliverables directly impacting ISOC's mission, from Public Policy, to technical areas of S&T, DO, T&ID, to the Regional Bureaus and IL.



	Personnel Costs	Travel & Meetings	Office Expenses	Professional Services	Internal Expenses	Depreciation	Rent	Programmes
2011 Actual	$12,079,402	$2,216,584	$477,654	$758,034	$359,589	$611,736	$399,532	$4,220,227
2012 Actual	$14,987,840	$2,851,219	$587,067	$860,067	$312,212	$596,863	$480,386	$7,595,841
2013 Forecast	$17,250,712	$2,890,291	$689,197	$674,894	$193,338	$750,000	$495,000	$7,176,400
2014 Budget	$18,511,640	$2,475,200	$572,277	$673,052	$178,690	$750,000	$689,768	$6,244,026

Restricted Funds

When received, some funds are restricted, either due to specific use of the funds or in the timing of their use. The major current restricted funds that will be available in 2014 are the remaining funds from PIR's contribution toward IETF support in 2010 (the final $416,000 of which is expected to be used), and the final funding for the IXP Toolkit ($715,000).

Statement of Activities - RESTRICTED 2014 Budget	2014 Budget	2013 Forecast	2013 Budget	YTD $ Variance
Restricted Funds Received				
Funds Received for Future Programme Use	$ -	$ 1,331,000	$ -	$ 1,331,000
Total Restricted Revenues	**-**	**1,331,000**	**-**	**1,331,000**
Funds Used for Directed Purposes				
IETF Outreach	416,000	1,000,000	1,000,000	-
Other Grants and Sponsorships	715,000	616,000	150,000	(466,000)
Total Funds Used for Directed Purposes	**1,131,000**	**1,616,000**	**1,150,000**	**(466,000)**
NET CHANGE IN RESTRICTED FUNDS	**$ (1,131,000)**	**$ (285,000)**	**$ (1,150,000)**	**$ 865,000**
BEGINNING RESTRICTED FUND BALANCE	**$ 1,131,000**	**$ 1,416,000**	**$ 1,710,000**	**$ (294,000)**
ENDING RESTRICTED FUND BALANCE	**$ -**	**$ 1,131,000**	**$ 560,000**	**$ 571,000**

Capital Expenditures

The 2014 Capital Budget of $700,000 is largely comprised of the IETF Tools Development project ($250,000), and improvements in ISOC's engagement platform and business information systems ($408,000). ISOC has maintained this level of capital expenditure for several years, and generally uses a 3-year depreciation schedule. Because of our conservative depreciation policies, our capital budget is approximately the same as our annual depreciation ($750,000). Therefore, between depreciation (a non-cash expense reflected in G&A) and capital spending (a cash item that does not appear on the Statement of Operations), there is little impact on available cash.

A Platinum Sponsor has agreed to donate replacement equipment to support IETF meeting communications and wireless network. Under the agreement, this sponsor will replace the equipment every three years, at an estimated value of $1 million cost each time. Accounting rules require ISOC to recognize the unrestricted contribution when the equipment is in service, and depreciate the value of the equipment over the three years. At the time of this Business Plan, ISOC does not know when the equipment will be placed in service – and has not included this contribution in either its 2013 Mid-Year Forecast OR its 2014 Revenue Budget. However, we have included the extraordinary depreciation expense in the 2014-2016 financial budget and outlook.

Staffing Plan

The work of the Internet Society is driven by its staff, in concert with our Chapters, Members, and sponsors. The majority of our staff are topic experts in our many areas of focus, whether it is Public Policy, Trust & Identity, Deploy360, Internet Leadership, Development, the Regional Bureaus or Standards & Technology. Staff additions in 2014 will be limited as ISOC strengthens its focus on Regional and Chapter engagement, as well as core areas of Public Policy, Technology, and Development.

One staff addition is planned to support the new CEO in their role as the leader of the Internet Society and as a leader within the Internet community. In addition, management recommends developing internal resources in two programme-critical areas now being fulfilled by outside service firms. The proposed additions will bring critical expertise into the organization as a means of further strengthening the Society's ability to be responsive without placing additional burdens on the operating budget.

Converting contractors to staff resources for essential long-term functional support

IT: Drupal Development Support

ISOC began a major overhaul of its website in 2010, moving to Drupal (an open architecture platform) to support that system and other ISOC requirements. ISOC has limited Drupal skills and has relied on contractors. This is a key function for ISOC for the long-term effective operating of our IT support. Moving this core competency in-house by converting the contractor to a staff position would facilitate the technical management of all of ISOC's web properties in-house, increase our agility to deliver on web projects, allows us to do more with this expert resource, and bring down the overall costs.

Impact on ISOC's 2014 budget – Our Senior Director of Information Technology expects to save approximately $16-$20K annually by hiring this contractor, in addition to the operational benefits of have a full-time focused resource.

Communications: 2014 Public Relations and Media Outreach Support

In recent years, we have made significant progress in building awareness of the Internet Society with key journalists and top tier publications. This has been lead internally by our Director of Media and Communications in conjunction with an external public relations company we engage on retainer. The Internet Society, however, is now well-positioned to move to a new model to support our public relations and media outreach initiatives and bring this expertise in-house as a core competency while reducing reliance on our contractors.

Our current Director of Media and Communications is focused on working with ISOC's functional leads, writing press releases and speeches. The new staffer would be the outreach liaison to all media contacts worldwide, seeking to engage the media in getting ISOC's messages out. Given the complexity, pace of change, and frequently technical nature of Internet issues we address, we would be better served with a dedicated, internal resource that can keep up with topics and emerging positions on a day-to-day basis. Further, expertise and long-term media contacts stay within the organization, and we will have enhanced agility and responsiveness to global media opportunities.

Impact on ISOC's 2014 budget – Our budget for external PR resources in our Communications Department falls more than $240,000 from the level of spending in 2013. Of this, $100,000 relates to allocating budget and resources directly to our Regional Bureaus for locally tailored media engagement and communications outreach. $140,000 of the reduction will be used to replace our current PR/Media contractor with staff resource, reducing our reliance on retainers and increasing our overall capacity to respond with speed and agility to critical issues. Our Vice President of Communications expects to make this transition at no additional cost to the organization in 2014, followed by savings in 2015 and beyond.

Through these and other organizational changes, ISOC's staffing total will be held relatively flat, totaling 93 by the end of 2014.

Appendix B: Major Event Plans and Functional Summaries

i. Event Strategy and 2014 Plans

Overview

At the Internet Society, we organize and participate in events across the global, regional and local levels to achieve our long-term goals and to create positive change for the Internet. Throughout 2014, we will be working collaboratively with the Regional Bureaus and other internal stakeholders to improve our organization's development, management, and execution of events. We have convened a committee to develop guidelines and establish an integrated approach to our event strategy. A key outcome of this effort will be to identify and achieve tangible outcomes from our event activity, establish event success metrics, formalize the roles and responsibilities of managing our wide-ranging events, and improve our operational work flows.

2014 Plans

In 2014, a number of areas will take focus as it pertains to events. This includes:

- **Convening the Event Strategy committee to improve our organization's development, management and execution of events**
  As the organization grows, there is a vital need to establish a strategic view to our event executions. Through the establishment of an inter-departmental committee, we will be working to outline a strategic vision for our event activities. This work will be vital to our evolving support of events as it pertains to the Regionalization strategy.

- **Supporting the Regional Bureau Directors as we implement our regionalization strategy**
  The efforts to implement our regionalization strategy will have significant impact our executing events. As the majority of our events are on the regional or local level, we will be working with individual Regional Bureau Directors, and the RBDs as a group, to support and improve their regional and local event management capacity. A key component of the Regional Bureau support will be the outcomes developed by our Event Strategy committee.

- **Managing and supporting planned events such as: Regional INETs, AfPIF, NDSS, ION Conferences, and the Internet Hall of Fame**
  As is our standard practice, the Events team will provide management and logistical support for events that we host and attend.

- **Organizing Global INET 2015**
  During 2014, we will devote considerable time and resources to advancing the planning of Global INET 2015. Slated to take place in Panama in Q2 2015, Global INET 2015 will target a global audience and bring awareness to internationally relevant topics. Building on the work of Global INET 2012, we will continue to develop Global INET 2015 into an organizational asset that builds community, drives revenue, and advances our mission. The size and scope of Global INET ensures that other Internet Society programs will co-locate, including Chapter Workshops, leadership training, Business Roundtables, to name a few.

ii. Internet Hall of Fame

Programme Definition
The Internet Hall of Fame is an annual awards program established by the Internet Society to publicly recognize a distinguished and select group of visionaries, leaders, and luminaries who have made significant contributions to the development and advancement of the global Internet. In two years, the Internet Hall of Fame has established strong brand equity and international recognition. This programme also supports the Internet Society's position as a leading voice on the Internet's past development and future evolution.

In 2014, we will continue our efforts to build and develop the Internet Hall of Fame event and programme as integrated and complementary components. We will develop feature content and stories for the Internet Hall of Fame website, promote the nomination process and programme to a broad audience, drive media and press activity, secure sponsorship support, manage the event planning process (including the supplementary activities), and execute the event.

2014 Internet Hall of Fame Event
The 2014 Internet Hall of Fame event has been set for 8 April 2014 in Hong Kong. Our rotational schedule for 2014-2018 is below and incorporates numerous considerations, such as alignments with future Global INETs and the need in some regions for appropriate host support and other political or partner considerations.

Year	Region	Proposed City	Notes
2013	Europe	Istanbul	
2014	Asia	Hong Kong	8 April 2014 – Grand Hyatt Hong Kong
2015	Latin America	Panama	Global INET 2015
2016	Africa	Nairobi	
2017	North America	San Francisco	Global INET 2017 / 25th Anniversary
2018	Middle East	Dubai	
2019	Europe	Scandinavian country / Moscow	
2020	Asia	Singapore	Global INET 2020
2021	Latin America	Buenos Aires	
2022	Africa	Senegal / Tunisia / Morocco	Global INET 2022 / 30th Anniversary

We plan to co-locate the induction event with other Internet Society programming that includes *Board of Trustee meetings, Regional Chapter Workshops*, *Regional INETs (and periodic Global INETs*) and *Business Roundtable*s. These supplementary activities will attract a diverse audience and are opportunities to, help inform the public about additional aspects of ISOC and our other programmes, and will also serve to create a diverse and critical mass at

2014 Internet Hall of Fame Programme
The Internet Hall of Fame programme plays a critical role in acknowledging the achievements of those who have made the greatest contribution to the development of the global Internet. It can also serves as a vehicle to inspire and encourage the next generation of researchers and innovators. Throughout 2014, we will be working to advance new ways for the Internet Hall of Fame to serve as an educational tool and to bring together leaders from across the global Internet community.

iii. Functional Summary: Communications

Overview
In 2014, the Communications Department will work to enhance the Internet Society's position as the foremost global voice and leader for the Internet of today and the future, advance organizational priorities and programmatic objectives through strategic investments in key communications capabilities and support services, and further develop of tools and channels that can be leveraged by staff, Chapters, Members, and the broader Internet Society community.

2014 Primary Communications Objectives
Our communications activities in the coming year will build a foundation for the Internet Society's capability to engage, connect, and empower individuals and organizations by creating, aggregating, and disseminating information, insight, and best practices. We will focus on:

- Establishing strategic communications thought leadership, guided by the 2020 Strategic Plan;
- Partnering with internal stakeholders and provide support services to achieve fiscal and programmatic objectives;
- Assembling, mobilizing, and energizing resources and capabilities to extend the reach and impact of ISOC communications efforts; and
- Demonstrating and measuring the impact of our work through results and metrics to achieve even greater effectiveness.

Communications Priorities
Our 2014 communications priorities and plans are informed by and aligned with the results of the strategic planning process, our current programmatic initiatives and goals, and the projected 2014 financial envelope. Three main pillars support these priorities:

- Strategic communications investment areas
- Support services
- Communications tools

Specific activities anticipated in each of these areas are detailed in integrated plans, including specific metrics to gauge their impact and adjust as necessary to ensure maximum effectiveness.

Strategic Communications Investment Areas
To further the Internet Society's position as a trusted voice on and source of information about key Internet issues, we will undertake key investments to improve our capability and agility in media outreach and online communications—including web and social media channels. We will establish the new CEO and other ISOC leadership as opinion leaders for Internet issues, and continue build the Internet Hall of Fame and Global INET as cornerstone brands and events.

Communications Support Services
In addition to the strategic investment areas above, we will further enhance our support of ISOC programmes and activities—in particular tailored efforts for Regional Bureaus—through event support, integrated marketing campaigns including outreach efforts and materials development, and localization of communications channels and messages.

Communications Tools
We will develop further print, graphic, and online materials and templates that provide a foundation and framework for Regional Bureaus, Staff, Members, and Chapters. We will extend the Global Messaging Center as a comprehensive communications resource. Enhanced communications channels and capabilities, such as social media and email guides and tools can be leveraged across the ISOC community and organization.

iv. Functional Summary: Public Policy

Overview
Our public policy vision is an Internet that is truly global, borderless and open – it is one that is solidly based on a multi-stakeholder and inclusive governance model and one that recognizes and builds on all parts of the local, regional and international fabric of the global Internet ecosystem. This vision draws strength from all stakeholders working collaboratively through strategic partnerships and leveraging expertise across all regions.

Key Factors
Recent reporting about online surveillance is causing a tectonic shift in the Internet governance landscape; we fully expect concerns about surveillance, privacy and ethical data handling to drive the key regional and global Internet policy discussions in 2014 and beyond. Additionally, 2014-2015 is a critical period for the international debate over Internet governance that will lead to a new international consensus on international Internet public Policy. In this context, it is not a matter of "if" surveillance issues will be important, it is simply a question of "how much" of the international consensus will be driven by those topics.

Given this constant change, policy issues such as privacy, security, IPR, development, human rights, etc., will gain increasing attention at the local, regional and international levels. The question remains whether the community of stakeholders will be able to preserve the sustainability of the Open Internet. We will pursue a cohesive public policy strategy that takes into account the local and regional dynamics while also aiming to shape the international public policy consensus overall.

2014 Key Issues and Objectives
The overall approach for our public policy outreach in 2014 will be grounded in *partnerships*. To shape the global and regional Internet policy consensus, we will leverage the expertise of ISOC staff and our community and join with partners around the world to strengthen our outreach through:

- I* outreach and coordination;
- Bilateral outreach to key governments (building on regionalization strategy);
- Leveraging our network of policy influencers.

<u>Key Objective 1: Shaping Consensus in Critical Internet governance Conferences</u>
In 2014, the calendar is accelerating with major conferences: ITU Plenipot and WTDC, WSIS+10, the IGF and an OECD High-Level Meeting. These conferences will shape the future economic, technical and political governance of the Internet:

- WSIS+10: Influencing the post-2015 Agenda
- WTDC 2014: Constructive ITU Development Agenda
- ITU Plenipotentiary Conference 2014: Role of governments/ITU in Internet governance
- IGF: Sustainable, forward-looking venue for dialogue and engagement
- OECD: Formulating Internet Policy Principles (IPPs) supporting the multi-stakeholder governance model

<u>Key Objective 2: Provide Thought Leadership on Policies for an Open & Sustainable Internet</u>
Our core message on the below strategic policy issues will be grounded in the idea that a healthy and sustainable Internet is based on the principle of "Openness".

Policy and Regulatory Frameworks: Promoting Open Standards: Advancing public policies to support open standards and support appropriate regulatory frameworks in the post-PSTN environment, including via trade discussions. In this context, we will also provide the context of and assist, where feasible, the setting up of self-regulatory frameworks.

Access and Development: Open and Smart Internet Development Policies: Advocating public policies that advance rather than hinder economic development.

Internet Principles: Promoting Open Governance and Fundamental Rights: Drive multistakeholder processes to evolve Internet governance principles to meet emerging challenges.

Ethics and Security in a Data Driven World: *Strengthening trust and resiliency in the Open Internet:* Build international consensus on security, trust and ethical data handling through outreach to policymakers, technical community and industry

Policy Outreach to Combat Spam: Enhance policymaker understanding of technology and policy tools to address spam by strengthening ties between policymakers and technical community

Digital Content: Promote the economic value of an Open Internet: Encourage transparent and multistakeholder frameworks (e.g. IPR) that support innovation and new business models for digital content (both local and international), global trade and economic development

Public Policy Department
As noted above, our Public Policy strategy depends upon partnerships and collaboration. In this vein, cross-organizational partnerships are essential for ISOC to have maximum public policy impact. Consistent with ISOC's overall Regionalization strategy, our Regional Bureaus play a critical role in advancing our strategic policy vision and messages at the local and regional levels; and the regional perspective helps to shape our global positions. At a functional level, our policy work is closely tied to the technical, economic and strategic development activities of the organization.

v. Functional Summary: Trust and Identity

Overview
In 2014, the Internet Society Trust and Identity portfolio will continue to advance three core streams of work intended to engender confidence online:

- Identity: Managing Trust Relationships
- Network Architecture and Trust: Emerging Research
- Operationalizing Trust: Strengthening the Current Internet Model

Recent revelations about broad based Internet surveillance and pervasive data collection by governments have emphasized the growing importance of the Trust and Identity work. The global erosion of trust in key elements of existing models, including concerns about the viability of both recommended cryptography algorithms and common implementations of cryptographic solutions effects every part of the current Internet ecosystem. Confidence in the primary developers of Internet standards has been eroded and the hosts of the most widely used service platforms are also considered suspect.

The Internet Society must take an activist role on several fronts in order to re-build trust in both the technologies and the governance model under-pinning the Internet Eco-system. Our immediate priorities include driving a process to achieve internal agreement on a technical and policy strategy to advance an ecosystem wide understanding on the ethical handling of identifying data. Using our global resources we can then position interventions to support usable privacy solutions including open and transparent cryptography, methods for obtaining and honoring user consent, and data minimization techniques such as attribute exchange. The Trust and Identity team will also continue to advance efforts to build a usable trust and identity layer within the Internet.

In 2014, we will leverage our existing leadership position by empowering users to make informed choices about the use of their identifying data, raising substantive ethical questions in technical and policy forums, and engaging industry and developers on the consequences of implementation choices. This work will be advanced on a cross-organizational basis, combining efforts of our Trust and Identity, Public Policy, Internet Leadership, and Communications teams.

2014 Primary Objectives

<u>Negotiating Identity and Privacy in Asymmetric Systems</u>
Including advancement of the Digital Footprint paradigm, tools for increasing transparency into terms of service and privacy agreements, and interventions on privacy, consent, and data protection in multiple venues.

<u>Managing for Risk Post-Snowden</u>
In addition to current work underway in the IAB, IETF (JOSE/OAUTH/etc.), the W3C, Kantara, and other open development communities we will be engaging in efforts to improve cryptographic engines and in fielding shared solutions to improve certificate transparency (certificate logging service). This work will be coordinated with the IAB, the IETF, the W3C, and the appropriate open development communities.

<u>Establishing and Extending Circles of Trust</u>
We will continue to advance technical and policy solutions to support inter-federation in order to rebuild trust in the Internet by supporting and extending existing trust relationships. This work will also support the development of shared solutions for identity management at a global scale.

vi. Functional Summary: Standards and Technology

Overview

The Standards & Technology department has a dual role of carrying out key technology initiatives in the interest of the health of the Internet, as well as serving as the technology basis for other departments' activities. The Internet Society is in a unique position to educate, guide and support the drivers that cause the Internet to exist and change in its ecosystem. In so doing, our activities are focused on:

- Supporting and advancing the core, technical, properties of the Internet
- Articulating the technical characteristics of a healthy, open Internet to influence others to support the Internet Society's mission
- Educating drivers to work with, not against, the Internet's natural evolution
- Capturing and disseminating an understanding of the reality of the Internet at any Given point in time (to educate drivers and to inform their decisions)

A primary focus is "Here and Now" issues – raising awareness and causing real change in current Internet technology, through established relationships and fostering further collaboration, as well as capturing and disseminating key information. Additionally, we are continuing our work to engage the developers and development of the *Future Internet*. This entails bridging the future-thinking researchers' and developers' work with the current operational and engineering worlds of the Internet.

2014 Key Issues and Objectives

Latency (Bandwidth Management): Internet bandwidth provision and consumption have trended upwards since the beginnings of the network. Networking hardware and related coding algorithms have improved regularly resulting in higher bandwidth services being delivered to end-users at stable or falling price points. While the heated debate continues about the need for new business models and in-network bandwidth management techniques, it is also clear that changes are needed in order to ensure the network's bandwidth usage supports latency-sensitive applications well. It is important for the healthy evolution of the Internet that mechanisms to support this growing diversity of use are end-user centric, open and compatible with Internet architecture. Following our successful "Reducing Internet Latency" workshop in 2013, for 2014 we aim to advance:

- Widely shared understandings of the real challenges posed by latency-sensitive applications and more focused work across research and industrial communities to address the issues.
- Agreement about the set of mechanisms required to address bandwidth management challenges. Identification of the set of steps required to obtain widespread industry/operator deployment.

Collective Responsibility for Internet Resilience: Resilience and Security of the global Internet infrastructure depends on the effective deployment and use of technology and best practices, but collaboration and a culture of collective responsibility are equally important components. The main focus of our work in this area is the global Internet routing system.

The global Internet routing system, or an inter-domain routing system, is vulnerable to attacks. These attacks may cause hijacking, detouring of traffic, or other violations of routing policy as defined by each network operator independently. The objectives of the routing security and resilience work are to:

- Ensure that the global inter-domain routing system is getting more resilient and less vulnerable to attacks and misconfigurations by getting organizations, participating in global inter-domain routing, to recognize and address external dependencies.
- Facilitate and disseminate the trusted factual information regarding the state of security of the Internet routing system and trends. Raise awareness of this information at all levels: technical network operations, business decision makers, and policy decision makers.
- Get key networks to sign up for a "code of conduct" to capture and promote industry best practices and their commitment to the routing hygiene and resilience.
- Demonstrate the ability of the industry to address problems of routing security through the approach of

collaborative responsibility.

Broadening Internet adoption: The Internet continues to expand and embrace industries not familiar with or accustomed to Internet principles and practices. Key opportunities in 2014 will be to:

- Foster greater deployment of IPv6 in mobile wireless (Internet) networks.

Fostering Internet-supportive innovation: The Applied Networking Research Prize (offered jointly with the IRTF) targets young researchers to expose them to Internet engineering and bridge the research and engineering worlds. In 2014, we aim to support more key research conferences to raise awareness of ISOC, the Internet engineering approach in general, and ANRP in particular.

Open Standards: The foundation of the Internet's technological success is the approach to open standards development that has favoured the pursuit of technical quality and provided resistance to capture by particular interests. In 2014, we will continue to promote, raise awareness of, and seek public support of the Open Stand principles for the modern standards paradigm.

vii. Functional Summary: Deployment and Operationalization (Including Deploy360)

Overview
The Deployment and Operationalization team will focus on two main areas in 2014.

Deploy360 Programme
The Deploy360 Programme (http://www.internetsociety.org/deploy360/) aims to accelerate deployment of key standards and technologies, speed innovation and economic growth, and increase security on the Internet. The Internet Engineering Task Force creates protocols based on open standards, but some are not widely known or deployed as broadly as they should be for the good of the overall Internet. The Internet Society launched Deploy360 to help bridge this gap between completed standards and their real-world deployment.

Deploy360 provides real-world information to the global operations community, including network operators, developers, content providers, consumer electronics manufacturers, and enterprise customers. It provides resources from industry experts so other organizations get the answers they need to deploy new standards and technologies on their own networks quickly and efficiently. Components of the Deploy360 Programme include:

- A growing web portal with technical resources and articles, blog posts, videos, best practices, case studies, and deployment information.
- ION Conferences to bring together network operators, developers and leading industry experts.
- Social media interactions to encourage continuous deployment discussions.
- Speaking engagements at technical industry conferences and events around the globe.
- Leadership of deployment coordination groups, such as the DNSSEC coordination work.

The web portal is the premiere technology education and community engagement tool, and the ION Conference series has been a channel to deepen engagement in the Programme and bring diverse audiences in contact with key experts. The ever-growing social media engagement continues the conversation between ION Conferences and other speaking engagements, enabling nonstop discussion of new standards and technologies and how to deploy them.

Building on the successes of its first two years, 2014 will focus on expanding the reach and impact of the Programme.

Operator Engagement
The DO team is working with operator groups around the globe to facilitate the documentation of best current operational practices for Internet technologies. In 2013, DO staff engaged with operator groups all over the world to foster Best Current Operational Practice development in regions, and develop the momentum for globally relevant best current operational practices. In 2014, this work will be continued, and the DO team will also investigate ways to capture standards and technology feedback from operators and develop strategies to realize that feedback inside the processes of the IETF. 2014 Primary Objectives include:

1. Foster an open, innovative, and trusted Internet worldwide.
2. Extend Internet Society reach to worldwide operators through technology leadership.
    - Increase Deployment of key Internet technologies
    - Increase Use of Best Current Operational Practices
    - Improve Communications and Participation Between Operators and the IETF

viii. Functional Summary: Internet Leadership

Overview
The period from 2011-2013 demonstrates strong progress on building the talent pool of global leaders and successors who can navigate and advance the complex Internet policy and technology issues; strengthening our ability to scale education initiatives in partnership with chapters, regions, higher education institutions and other influencers; and creating core assets to reach end-users and other target communities who are essential to advancing the open Internet.

Specifically in 2013, the Internet Society deepened its leadership work through a funded, country-specific endeavour in South America and ongoing initiatives such as the Next Generation Leaders programme. We deployed a new Learning Management System, which significantly strengthens our ability to scale our Internet education initiatives — particularly in partnership with chapters, members, higher education institutions, and other organizations who seek to sustain the Internet as a boundless platform for innovation, economic growth, and human expression.

We also began developing a series of assets that extend the reach of our subject matter expertise. One such example is the January 2013 release of the Online Identity modules, based on the research arc of the Trust & Identity team. Since that time, the modules have received more than 13,000 shares and likes, successfully reaching end-users and new influencers. As the next billions come online, these target communities remain critical to extending the reach of the Internet Society's mission.

In 2014, the Internet Society will build on its strong foundation to scale these efforts. More specifically, we have strengthened our value proposition for our target communities and we are now in excellent stead (1) to work more deeply and broadly with our regions, our chapters, and our technology, policy, and development subject matter experts to significantly scale their capacity building and outreach efforts and (2) to empower others across regions and around the globe to mobilize for impact.

2014 Primary Objectives

1. Continue to build and engage a global cadre of leaders who can navigate the policy and technology issues that will shape the future Internet.
2. Train professionals, educators, and higher education students about Internet Governance and other issues that impact the future Internet.
3. Inform end-users about their rights, roles, and responsibilities about the Internet of today and the future.

Specific key goals and objectives in this area include:

- Reach 1000+ individuals across policy, technology, and business through targeted capacity building programmes, including self-paced learning.
- Expand programmes to train professionals, educators, and higher education students about Internet Governance and other issues that impact the future Internet.
- Strengthen the portfolio of end-user education materials, including video assets and online curricula, aimed at educating end-users about the Internet and key issues on a broad global scale. 2014 focus areas include the Digital Footprint.
- Formally launch the e-learning platform to scale online education efforts,
- Develop additional online self-paced learning classes to meet broader community needs. 2014 efforts include the development of AfNOG courses, currently delivered entirely in onsite workshops. Other courseware includes modules based on the Spam initiative launched by Public Policy in 2013.
- Support the 2016 IETF meeting in Latin America. Scale regional IETF Fellows and Regulator engagement activities, including through remote hub participation opportunities.
- Increase our strategic partnerships with higher education and other organizations, chapters and members, regions, and sponsors, and develop expanded Internet education and knowledge outreach portfolios

x. Functional Summary: Internet Development (Including Strategic Development Dept.)

Overview
Assisting countries to develop, maintain, and sustain Internet infrastructure for expanded access has been central to the Internet Society's mission since our founding. Our goal is to achieve a ubiquitous, reliable, and sustainable Internet in developing countries that is on a par with the rest of the world. We aim to achieve this through thought leadership, on-the-ground capacity building, leveraging all of the assets of the Internet Society, and catalyzing external engagement on a global basis.

The Internet Society's Internet development and capacity building activities are undertaken internally on a cross-organizational basis. The Strategic Development Department works to advance long-term strategies, aimed at accelerating Internet development in emerging economies and drives programmes and projects together with our Regional Bureaus who also implement programmes locally, and our Public Policy who who also provides related support. These efforts are further supported by the work of Internet Leadership activities and local community assistance projects, and are implemented by our Members through our Community Grants programme.

2014 Key Projects
While not exhaustive, highlights of key projects and efforts in 2014 include:

- Interconnection and Traffic Exchange (including IXP deployment): We aim to foster robust, efficient, and cost-effective interconnection and traffic exchange environments in developing countries – including assisting the development of IXPs, particularly in Africa and Latin America. In Africa, through cross-organizational collaboration, we will accelerate IXP deployment by leveraging the existing AXIS I grant and the newly awarded AXIS II grant from the African Union, as well as advancing our successful African Peering and Interconnection Forum (AfPIF). In Latin America, we will continue to work with LACNIC and the Latin America IXP association (LAC-IX) to build a strong community of practice in the region. We will also identify IXPs that need equipment and provide assistance through a grant of routing equipment from Cisco.
- ccTLD Development and DNSSEC Deployment: Our work in this area aims to develop strong ccTLD infrastructures, including accelerating DNSSEC deployment in ccTLDs. In 2014, we aim to strengthen our partnerships with regional ccTLD associations in order to extend capacity building on ccTLD operations, management, and DNSSEC implementation. Our 2014 African DNSFORUM will build on the success of the 2013 Forum to bring regional and global experts together and jump-start capacity building in the African region.
- Networking Skills Capacity Building: Our training and capacity building activities with Network Operators' Groups around the world, and regional training forums such as AfNOG/AfCHIX, APRICOT, and WALC (Workshop on Internet Networks Technologies for Latin America and the Caribbean) will continue to be a key component of our work to build local networking skills. In addition, we will also build upon our networking skills "boot camp" programme in Africa by adding online learning capabilities to reach more individuals.
- IPv6 Deployment in Emerging Regions: Leveraging Deploy360 Programme outputs and regional expertise, we will continue to deepen our IPv6 deployment efforts in developing countries. Our work includes hands-on training workshops, facilitating experience sharing between operators, and raising awareness of IPv6 deployment imperatives amongst stakeholders, including policy makers.
- Access Policy Assistance and Local Development Projects: In 2014, we will continue local access projects, including our rural access network project in India and Community Grants programme. We will continue to provide support to policymakers and regulators to advance solutions aimed at providing sustainable access in developing countries.

- Advancing Internet Development Thought-Leadership and Engagement: Key among our priorities this year will be developing and issuing “best of class” research and reports on Internet development topics, as well as case studies and best practice guides, to guide stakeholders in implementing Internet development approaches consistent with the Internet model and ISOC principles. Further, we will work to deepen our engagement with the ITU Development sector, among other fora, to share lessons and solutions from our 20+ years of experience in promoting Internet access and development. This will include participation in the ITU’s 2014 World Telecommunications Development Conference (WTDC) to advance open and sustainable Internet development principles in this key international forum.

Strategic Development Department

While working across the organization, including with our Regional Bureaus and other departments, our Strategic Development Department takes a leading role in crafting ISOC’s overall development approach and activities in order to advance ISOC as a leading ‘go to’ organization for Internet development expertise, advice, and assistance globally. In addition to advancing the projects discussed above, for 2014 we will focus on the following activities:

- Implementing the Google IXP Tool-Kit Best Practices Grant project that will produce a Best-Practices report, develop a portal, conduct training, and provide equipment to new and developing IXPs, in partnership with a growing global group of experts.
- With the addition of a Chief Economist in 2013, we will position ISOC as an independent and trusted source for Internet data that can be used to measure Internet growth and the impact of the Internet, collecting data in a knowledge portal on our website as well as release our first ISOC ‘Flagship Report’ highlighting the state of the Internet.
- Building on our Interconnection and Traffic Exchange project, we will focus on promoting local content in emerging regions, in order to increase Internet usage as well as help to develop the local Internet ecosystem needed to develop, host, and deliver content.
- Finally, we will assist developing countries to create and implement strategies for a sustainable Internet environment by identifying and conveying best practices across the three Smart Development pillars of physical, human, and governance infrastructure.

Additionally, but as a separate function, the department also supports the CEO in ISOC business planning functions, strategy, and operational reporting, including coordination of the Executive and Senior Management teams.

Appendix C: Towards 2020 – Growing Core Capabilities

The Internet Society aspires to be the foremost global voice and leader for the Internet of today and the future, ensuring that a vibrant, open, and sustainable Internet is available to everyone, including the billions of users yet to come online.

During the strategic planning process, input from staff, our Chapters, Members, and Organizational Members, and peer organizations in the Internet community indicated that ISOC must be prepared to meet a range of possible future contexts, especially as the Internet landscape continues to change at an accelerated pace. Perhaps more than any specific issue, ISOC's agility and speed in addressing critical Internet issues, ability to partner and scale to meet growing challenges, and our capacity to build coalitions and enable stakeholders to mobilize will be key to implementing the Board's Strategic Objectives into the future.

As such, and among our other operational and programmatic activities and competencies, and in further consultation with our Chapters, Members, and community, we will seek to grow and implement the following three core capabilities to ensure our future success:

Networked Expertise

The capability to develop, leverage, and manage virtual networked centres and resources of expertise spread internally and externally across our global network

Vision

By 2020, the "Networked Expertise" capability exists broadly across the organization, with staff, Chapters, Members and expert contacts aligned with ISOC's mission and able to engage on the organization's behalf. ISOC's staff and expert resources are truly international and able to work across teams and geographies, deploying the required expertise, knowledge and influence to meet future and shifting Internet challenges.

Core Objectives

- Disperse and extend expertise internally across geographies and externally beyond individual relationships into maintained network of experts
- Form and leverage broad, global virtual networks of expertise from internal and external sources to enable agility and fast responses to emerging issues
- Provide credibility, depth, and voice to our regional and local presence and impact with "on the ground" knowledge and expertise contributing more fully to broader organizational positioning
- Expertise is integrated and shared, regardless of individual geographic distance
- Map and foster nodes of expertise across the organization for rapid deployment
- Agility to leverage critical global, regional, and local knowledge into actionable responses and tailored impact.
- Extend, project and maintain a diverse, international look and feel
- Work across decentralized teams and geographies, including Chapter and Members, to develop and deploy expertise
- Rapidly surface key emerging issues and their implications across the globe
- Identify, tap into, and make use of subject matter experts across all nodes of expertise

Strategic Partnerships and Alliances

The capability to create outcome-driven, long-term relationships, partnerships and alliances that commit partner resources in order to drive scale and extend our mission impact

Vision

By 2020, ISOC has developed a systematic process for identifying, evaluating, engaging in, and managing partnerships that multiply and extend our resources and reach. The organization acts as a coalition builder, both engaging directly as well as establishing new external entities to build scale and drive towards specific outcomes in the interest of the Internet.

Core Objectives

- Extend reach and impact of resources by proactively seeking, forming, leveraging, managing, nurturing strategic partnerships and alliances in our pursuits.
- Emphasize, add and grow long-term partnerships to our existing portfolio of short-term, non-recurring event or sponsorship relationships
- Build coalitions, engaging with and establishing new external entities to build scale and drive to outcomes
- Ease the financial burden on ISOC by pooling resources with partners for mutually desirable outcomes
- Strengthen our brand awareness and positioning by extending our impact across issues, geographies, and communities of interest.
- Leverage across all areas of the organization a systematic process for identifying, evaluating, engaging in and managing strategic partnerships
- Diversify our ISOC-generated resource pool and reach beyond traditional relationships and membership sources to reduce potential donor fatigue.

Global Engagement Catalyst

The capability to engage, connect and empower individuals and organizations by creating, aggregating and disseminating information, insight and best practices and enabling stakeholders to self-organize to advance our mission

Vision

By 2020, ISOC serves as an international, multi-lingual “platform” for engagement and outreach to expand ISOC’s presence, reach, and mission more deeply within and well beyond the traditional Internet community. Utilizing these capabilities to aggregate and disseminate information and best practices, ISOC’s stakeholders, communities, Chapters and Members are clearly affiliated, strong self-organizers in support of an open Internet.

Core Objectives

- Leverage a global multidirectional communications network that informs, enables and empowers our stakeholders in issues critical to our mission
- Enable communities to self-organize in support of an open Internet by facilitating the aggregation and dissemination of information and best practices
- Expand our presence and reach beyond the traditional community through international, multi-lingual modes for engagement and outreach
- Provide enhanced cooperation, visibility and interaction among Chapters and Members, leading to stronger global, regional, and local outcomes
- Leverage our global footprint and diverse community in a more purposeful, action-oriented manner
- Enable external communications that:
    - captures, maintains and leverages information, knowledge, insights on global best practices
    - is easily leveraged by its participants
    - is pushed out externally in a branded manner to enhance our global brand awareness