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# OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

## INTELLIGENCE COMMUNITY DIRECTIVE

### NUMBER 106



### INTELLIGENCE COMMUNITY STRATEGIC ENTERPRISE MANAGEMENT

(EFFECTIVE: 20 NOVEMBER 2008)

(REPLACES ICD 106, DATED 16 OCTOBER 2008)

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**A. AUTHORITY:** The National Security Act of 1947, as amended; Executive Order (EO) 12333, as amended; and other applicable provisions of law.

**B. PURPOSE:** This capstone Intelligence Community (IC) Directive (ICD) establishes the framework for the Intelligence Community Strategic Enterprise Management system (IC-SEM). This framework enables the IC to participate in a process under the leadership of the Director of National Intelligence (DNI) to develop, communicate, implement and manage strategy, plans, programs, and performance-based budgets for the National Intelligence Program (NIP). This ICD will also help the DNI carry out the DNI's responsibilities and authorities regarding participation in developing the Military Intelligence Program (MIP), to include associated activities within each function described herein. This ICD delineates the IC-SEM authorities and responsibilities of the DNI, officials in the Office of the Director of National Intelligence (ODNI), and other officials within the IC. This ICD is designed to complement ICD 104, Budgeting for Intelligence Programs; ICD 801, Acquisition; ICD 900, Mission Management; and EO 13450, Improving Government Program Performance. This ICD rescinds Director of Central Intelligence Directive 1/10, Missions Requirements Board, 1 October 2001.

**C. APPLICABILITY:** This directive applies to the IC, as defined by the National Security Act of 1947, as amended; and other departments or agencies that may be designated by the President, or designated jointly by the DNI and the head of the department or agency concerned, as an element of the IC.

**D. POLICY:**

1. IC-SEM provides a predictable, transparent, and repeatable end-to-end process to collect and prioritize needs in the context of the strategic objectives of the DNI and the IC, to match prioritized needs with resources, and to produce performance-based budget proposals. As such, IC-SEM improves the pace, quality, and impact of NIP planning, programming, and budgeting



decisions. The process is designed to produce effective, efficient, and affordable capabilities for the NIP that meet future threats, perform emerging missions, satisfy the needs of intelligence users, and enable IC activities across all phases of the budget cycle. From end to end, the NIP Program Managers and the entire IC leadership will be integral partners in the IC-SEM effort.

2. The IC-SEM process consists of three core functions: Planning, Programming, and Budgeting. These functions are interdependent; each function is informed and guided by the products and decisions produced by the other two functions.

3. Execution is a critical function that occurs alongside IC-SEM's core functions. Execution-year activities conducted by IC elements are actively managed through tools (e.g., implementation plans, performance reports) that produce the data and insight necessary to conduct IC program, performance, and budget reviews.

4. Each IC-SEM function shall operate in the context of the goals, objectives, and performance criteria established in the National Intelligence Strategy (NIS). In addition, each IC-SEM function shall use performance management activities that provide critical data and feedback to inform decision-making. Performance measures that suit each function's scope and primary activities shall be developed and used. Examples of performance measures include critical success factors, key performance indicators, and mission outcomes. All IC-SEM performance management activities will be in accordance with the roles of the DNI and IC Performance Improvement Officer (PIO) as described in EO 13450.

5. A senior ODNI official oversees each core IC-SEM function by serving as the chair of a corresponding committee. The chairs of the Planning, Programming, and Budgeting committees assign responsibility for that function's primary activities.

a. Planning includes the following primary activities:

(1) Analyzing long-term trends and alternative future challenges, assessing their implications for future missions and capabilities, and identifying potential future concepts for the IC;

(2) Soliciting, validating, and approving needs from IC elements and a wide array of intelligence customers;

(3) Identifying gaps and shortfalls in addressing mission, capability, and enterprise needs; meeting the DNI's vision and strategy; and preparing for possible alternative future security environments;

(4) Prioritizing needs and identifying, at the strategic level, priority planning areas and areas for further review; and,

(5) Producing an intelligence planning guidance document that establishes IC priorities for the program build, and distributing the guidance before the fourth quarter of each fiscal year, for the 5- or 6-year period beginning two fiscal years hence.

b. Programming includes the following primary activities:

(1) Translating the intelligence planning guidance document into specific capability outcomes that the IC must achieve;

(2) Applying appropriate frameworks, activities, tools, and techniques to perform capability-based and outcome-oriented assessments and evaluations;



- (3) Identifying key capability gaps and shortfalls, duplicative capabilities, and potential tradeoffs between and among capability choices;
- (4) Assessing alternative capability choices to meet identified needs, to include analyses of interdependencies and interrelationships among current and future programs and systems across the NIP, and, where appropriate, the MIP;
- (5) Facilitating development of capability approaches and solution sets within which NIP Portfolio Managers conceive and develop options;
- (6) Supporting the development of repeatable analytic processes to facilitate intra-portfolio and inter-portfolio analysis;
- (7) Producing an intelligence capability programming guidance document to be distributed during the first quarter of each fiscal year, for the 5- or 6-year period beginning two fiscal years hence;
- (8) Identifying and analyzing key issues associated with the capability programming guidance, and with the assistance of the NIP Portfolio Manager(s), develop an initial set of materiel and non-materiel solution alternatives;
- (9) Overseeing the development of and documenting requirements that are used in the acquisition process and other IC-SEM related activities;
- (10) Coordinating with departments that have NIP components to approve requirements that serve national and departmental customers;
- (11) Developing performance requirements for acquiring, operating, and manning and supporting new systems, to include key performance parameters, schedule, and cost; and,
- (12) Identifying new major acquisition needs and forwarding them to the IRB for consideration.

c. Budgeting shall include the following activities, consistent with and complementary to ICD 104, Budgeting for Intelligence Programs:

- (1) Producing draft DNI fiscal guidance in the second quarter of the fiscal year, for the 5- or 6-year period beginning two fiscal years hence;
- (2) Reviewing NIP Program Manager budget submissions to ensure that budgets are fully executable and comply with intelligence planning guidance, capability programming guidance, Intelligence Program Budget Submissions (IPBS) Procedural Guidance, and DNI Fiscal Guidance;
- (3) Recommending adjustments to the IPBS to ensure an integrated and executable NIP performance budget. Recommendations can also be made in consultation with affected IC elements within non-NIP intelligence and intelligence related budgets;
- (4) Documenting DNI decisions for inclusion in the NIP budget request that will ultimately be incorporated into the President's annual budget request;
- (5) Incorporating all DNI-approved funding decisions in a final (i.e., "closed") NIP performance budget for incorporation into the President's annual budget request for the following fiscal year; meeting the statutory deadline for submission by the first Monday in February;
- (6) Executing quarterly budget and performance reviews of programs, including Independent Cost Estimates (ICEs), to inform activities across the IC-SEM functions;



(7) Identifying issues to be adjudicated by the Intelligence Resources Board (IRB) during the year of execution that require the attention and/or decision of the DNI and/or Principal Deputy Director of National Intelligence (PDDNI), in consultation with the Executive Committee (EXCOM) and/or the Deputy's Executive Committee (DEXCOM), respectively, as appropriate; and,

(8) Reviewing key performance measures based on execution data to refine statements of desired outcomes and inform consideration of investment options.

#### **E. AUTHORITIES AND RESPONSIBILITIES:**

##### **1. Governance:**

a. The DNI has final authority to approve all IC-SEM decisions and products. The DNI may solicit comments and alternative perspectives from the EXCOM to support the DNI's decision-making. As appropriate, the DNI may authorize the PDDNI to approve IC-SEM products and decisions.

b. The IC-SEM shall employ three committees to develop the products of each core function. The Deputy Director of National Intelligence for Policy, Plans, and Requirements (DDNI/PPR), or designee, shall chair the Planning Committee. The Deputy Director of National Intelligence for Future Capabilities (DDNI/FC), or designee, shall chair the Programming Committee. The Associate Director of National Intelligence and Chief Financial Officer (ADNI/CFO), or designee, shall chair the Budgeting Committee. The chairs of each committee shall assign responsibility, monitor progress, and provide guidance for the relevant activities listed in Section D. Seniority of IC representatives shall be commensurate with a body chaired by a DDNI or his/her designee.

(1) The Planning, Programming, and Budgeting Committees shall include representatives of the Deputy Directors of National Intelligence (DDNIs); Associate Directors of National Intelligence (ADNIs); NIP Portfolio Managers; Central Intelligence Agency (CIA); Defense Intelligence Agency (DIA); Department of Homeland Security, Intelligence and Analysis (DHS I&A); Department of State, Bureau of Intelligence and Research (DOS INR); Federal Bureau of Investigation, National Security Branch (FBI NSB); National Geospatial-Intelligence Agency (NGA); National Reconnaissance Office (NRO); National Security Agency (NSA); ODNI Mission Managers; and other members or attendees as determined by the respective committee chair.

c. The IRB shall review the recommendations and products submitted by the chairs of the Planning, Programming, and Budgeting Committees, propose a final disposition, and note any remaining issues requiring resolution. In addition, the IRB shall participate in annual and quarterly senior-level program, performance, and budget reviews led by the ADNI/CFO, and quarterly reviews of major IC acquisitions led by the DDNI/FC. The PDDNI chairs the IRB.

(1) On issues related to IC-SEM, the DEXCOM, operating as the IRB, shall consist of the following members: PDDNI; ODNI Director of Intelligence Staff; Deputies from Under Secretary for Defense for Intelligence, CIA, NSA, NRO, NGA, DIA, FBI (NSB), DHS (I&A), DOS (INR), Department of Treasury (Intelligence and Analysis), Department of Energy (Intelligence), US Coast Guard (Intelligence Directorate), and Drug Enforcement Administration (Office of National Security Intelligence); DDNIs; ADNI/CFO; and Vice Chairman of the Joint Chiefs of Staff. IRB members shall be prepared to address and provide recommendations on



behalf of their program or organization on the range of issues and activities covered in this ICD. Mission Managers and/or other elements may be included, as the PDDNI deems appropriate.

(2) For the purposes of this ICD and specifically attendance at IRB meetings, heads of member IC elements may designate officials who can speak to the full range of issues that will be discussed at IRB meetings.

d. The ADNI/CFO is responsible for executing, managing, and integrating IC-SEM activities. With support from the Office of the Director of the Intelligence Staff, the ADNI/CFO shall, among other things, set and maintain a schedule for product deadlines and decision meetings, establish meeting agendas for IRB and IC-SEM related EXCOM and DEXCOM meetings, maintain product formats, and assign and coordinate tasks and deliverables to support IC-SEM.

## 2. Roles and Responsibilities:

a. The DDNI/FC, with DNI concurrence, shall appoint a Chief Programs Analyst (CPA) to assist with Programming functions. The CPA will reside in DDNI/FC and shall conduct the following additional tasks in support of the activities and functions described in Sections D and E:

(1) Identify possible tradeoffs, additional details on areas of emphasis and de-emphasis, and efficiencies across program plans and/or portfolios;

(2) Study cross-cutting issues and identify solutions to address interdependencies and interrelationships between and among programs and portfolios;

b. The ADNI/CFO shall determine the number and scope of NIP capability portfolios.

c. The PDDNI shall appoint the NIP Portfolio Managers.

d. The NIP Portfolio Managers shall perform the following tasks in support of the activities and functions described in Sections D and E:

(1) Collaborate with the DDNI/FC, the ADNI/CFO, and other relevant stakeholders to identify interdependencies, address tradeoffs and efficiencies, and develop risk mitigation and optimization plans on issues affecting multiple portfolios;

(2) Conduct reviews and make recommendations to the chair of the Budgeting Committee regarding the annual NIP fiscal guidance and composition and balance within and among NIP portfolios;

(3) Conduct quarterly intra- and inter-portfolio reviews to assess technology investments, major acquisitions, performance measures, and key programmatic risks;

e. Mission Managers, consistent with ICD 900, Mission Management, shall support the IC-SEM committees and the IRB, as appropriate.

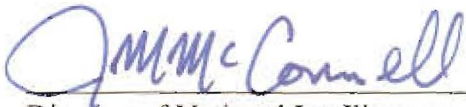
f. IC elements shall support and be involved with IC-SEM committee activities, as appropriate, including the following responsibilities:

(1) Identifying needs and risks to be addressed as part of the Planning function;

(2) Assisting the DDNI/FC and NIP Portfolio Managers in building performance-based capability options that align to planning guidance and capability programming guidance;

(3) Providing quarterly program performance data to the chair of the Budgeting Committee to support portfolio reviews; assisting in conducting analysis to support performance reviews; and participating in performance management efforts led by the IC PIO.

**F. EFFECTIVE DATE:** This ICD becomes effective on the date of signature.

A handwritten signature in blue ink, appearing to read "JMMcConnell", written over a horizontal line.

Director of National Intelligence

A handwritten date "20 NOV 08" in blue ink, written over a horizontal line.

Date



**APPENDIX A – ACRONYMS****ICD 106 -- INTELLIGENCE COMMUNITY STRATEGIC ENTERPRISE MANAGEMENT**

ADNIs	Associate Directors of National Intelligence
ADNI/CFO	Associate Director of National Intelligence/Chief Financial Officer
CPA	Chief Programs Analyst
DDNIs	Deputy Directors of National Intelligence
DDNI/AQ	Deputy Director of National Intelligence for Acquisition
DDNI/PPR	Deputy Director of National Intelligence for Policy, Plans, Requirements
DEXCOM	Deputy Executive Committee
DNI	Director of National Intelligence
EO	Executive Order
EXCOM	Executive Committee
IC	Intelligence Community
ICD	Intelligence Community Directive
IC-SEM	Intelligence Community Strategic Enterprise Management
IPBS	Intelligence Program Budget Submissions
IRB	Intelligence Resources Board
MIP	Military Intelligence Program
NIP	National Intelligence Program
NIS	National Intelligence Strategy
ODNI	Office of the Director of National Intelligence
PDDNI	Principal Deputy Director of National Intelligence
PIO	Performance Improvement Officer

## APPENDIX B -- GLOSSARY

**Capability:** A collection of functions and/or services that provides the ability to execute a specific course of action to satisfy a need of the IC or an IC customer.

**Capability Portfolio:** A group of capabilities, aligned by an overall focus, that can be used to evaluate major acquisitions, measure performance, make resource decisions, and ensure that major investments comply with established architectural and programmatic guidelines.

**Chief Programs Analyst:** A DDNI/FC-appointed ODNI official charged with managing the Programming Committee and overseeing the analyses and assessments required of the IC-SEM Programming function.

**IC Element:** One of the several organizational entities officially comprising the U.S. IC, as defined in the National Security Act of 1947, as amended, or any other organization designated by the President or established jointly by the DNI and the head of a department or agency as an element of the IC.

**Materiel Solution:** Correcting a deficiency, satisfying a capability gap, or incorporating a new technology that results in developing, acquiring, procuring, or fielding a new item that is necessary to equip, operate, maintain, or support intelligence activities.

**Mission Manager:** The principal ODNI official overseeing all aspects of national intelligence related to a specific mission area. A Mission Manager may be assigned to either a country- or issue-specific account.

**Need:** An expression of a service, activity, or resource necessary to fulfill a role, function, or tasking.

**NIP Program Manager:** Defined in ICD 901, Program Management Adjustment Notification, as the heads of IC Elements.

**Non-Materiel Solution:** Changes in doctrine, organization, training, leadership and education, personnel, or facilities, to satisfy identified functional capabilities.

**NIP Portfolio Manager:** A designated ODNI official who oversees and manages a capability-based portfolio in the NIP. The PDDNI designates Portfolio Managers.

**Performance-Based Budget:** Clearly explains the relationship between performance goals and the costs for achieving targeted levels of performance. In general, a performance-based budget links strategic goals with related outcome-oriented long-term and annual performance goals and with the costs of specific activities that contribute to achieving those goals.

**Performance Improvement Officer (PIO):** EO 13450 mandates that the DNI appoint a PIO to serve as a member of the government-wide Performance Improvement Council (PIC). The PIO is charged with effectively carrying out the performance improvement responsibilities called for in the EO.

**Requirement:** Characteristics and attributes stated in terms of objectively verifiable functional and performance parameters.