**Mechanisms for further consideration – 13 November 2017**

The information below has been derived from the brainstorming session that took place at ICANN60 in Abu Dhabi. To review the full feedback, please see <https://docs.google.com/document/d/1lilXNBowHooDiR1AyxF9ckA8ZRO1Gphx9rQLBZcXgMo/edit>. The below represents a synthesized version with further analysis conducted on the questions that need to be addressed by experts and/or the CCWG.

|  |  |  |
| --- | --- | --- |
| **What would be the most important criteria for you to consider when selecting a mechanism (e.g. cost, level of oversight)?** | **Criteria related to creation / set up of mechanism**   * Cost of setting up / implementing mechanism * Ease of implementation * One-off mechanism (when auction proceeds have run out, the mechanism is able to sun-set) * Knowledge of ICANN’s mission * Engagement of stakeholders * Meeting fiduciary requirements   **Running of the mechanism**   * Administrative complexity * Transparency & Accountability * Ensure appropriate balance of control (e.g. between ICANN and external entity) * Oversight and decision-making dependency * Cost of running the mechanism (e.g. overhead, operating costs)   **Fund allocation**   * Efficiency of grant allocation * Ensure that applications can be received and considered from different communities and parts of the world | **Questions (for experts / CCWG)**   * What are the expected costs for setting up each of the mechanisms? These may not need to be specifically defined, but could be in a comparative form (e.g. most expensive, least expensive)? * What is the expected ease of setting up each mechanism? It may not be possible to specifically define this, but could be in a comparative form (e.g. easiest to implement, most difficult to implement)? * What is needed to ensure mechanism is one-off exercise? * How is knowledge of ICANN’s mission expected to be determined / measured? * What level of engagement is desirable? * Which mechanism meets fiduciary requirements best? * What is the expected administrative complexity of each mechanism? It may not be possible to specifically define this, but could be in a comparative form (e.g. most administratively complex, least administratively complex) * What are the criteria for measuring transparency & accountability? * What is considered the appropriate balance? * What is considered appropriate oversight and decision-making dependency? * What are the expected costs of running the mechanism? It may not be possible to specifically define this, but could be in a comparative form (most expensive, least expensive)? * What are considered criteria to measure efficiency of grant allocation? * What requirements need to be in place to ensure that applications can be received and considered from different communities and parts of the world? |

|  |  |  |
| --- | --- | --- |
| **Possible mechanism #1** | *New ICANN Proceeds Allocation Department Created as part of ICANN Org* | |
| **General description** | This department would be part of ICANN Org and take full responsibility for solicitation and evaluation of proposals, and disbursement process, in accordance with the recommendations of the CCWG | |
| **Clarifying questions and/or questions for experts** | **Budget / Costs**   1. What mechanisms must be in place to separate budget management, as the auction proceeds are supposed to be separated from the operational budget? 2. Will department staff be paid by ICANN or by proceeds fund? 3. How much would it cost to set up this mechanism?   **Role of the Community**   1. How does community come into these? 2. What input would community have in staffing?   **Set up**   1. Since it is a temporary usage, must it really be a formal department? 2. What separation would be in place? Similar to that how the IANA Department has now been set up? 3. What mechanisms need to be in place to ensure external oversight / governance? E.g. Require external governance / non-exec directors / trustees in majority?   **Staffing**   1. Would department employees be considered ICANN employees and have similar working conditions / salaries? 2. What are average fund manager / grant officer salaries in the industry? 3. How many people needed for an effort of this nature? | **Responses** |
| **What are the general pros of this mechanism?** | [*These are verbatim from the input received during the F2F session. The idea is that once above questions are answered, these pros will be updated to reflect facts and figures obtained*]  Easier incorporation into ICANN community processes/meetings, coordination with other units/departments of ICANN. Maybe will be a good thing in terms of logistics/finance/legal/comms support but not sure about the management of the costs associated with that support as that is supposed to be separated from the operational budget  Keep the department internal and controlled under ICANN Bylaws  Less costly  Long term resource capital  Experience in the industry and possible application of funds  Knows how ICANN works  An in-house situation if it is accessible and transparent  This supports better resource management  Cheap  Retains communities involvement  Fine control over project work plan  Less new infrastructure needed  Reduces oversight costs  Minimize costs / overhead | |
| **What are the general cons of this mechanism?** | [*These are verbatim from the input received during the F2F session. The idea is that once above questions are answered, these cons will be updated to reflect facts and figures obtained*]  Starting everything from scratch might be costly and require a lot of effort  Cost  Resources  I like the internal idea but not necessarily a department as I don't think that is necessary  Permanent department for temporary tasks  I do not support this mechanism - cost implication may be too high and the fund may be unnecessarily spent on overhead  Hiring new staff training of staff, lack of independence, not supporting it  ICANN would become a giant  ICANN would become a big organization  Costly  Take time to set up  Learning curve for grant-making  Don’t create a permanent department for a one-time situation  Not benefiting of external expertise  Less accountable as the process is fully internal  Perceptions of this being less transparent or undue influence  Costing of staff  Too complex a set-up for a one-time exercise. people will have to be “let go” eventually.  Beneficiaries become / see themselves as dependent on ICANN; become “client” supporters for ICANN politically.  Issues of trust (can be mitigated with external directors or oversight)  Expensive  Inefficient  Lack of expertise  The rist might probably be less strategic capabilities be ?  Danger of too much of the funds or an ever expanding porotion of the funds needed for admin. This needs to be controlled.  Community concerns about ICANN vs. community priorities would be an issue.  Title problems for IPAD  CCWG Team must be in charge with ICANN staff support | |

|  |  |  |
| --- | --- | --- |
| **Possible mechanism #2** | *New ICANN Proceeds Allocation Department Created as part of ICANN Org which would work in collaboration with an existing charitable organization(s).* | |
| **General description** | Responsibilities for solicitation and evaluation of proposals, and disbursement process would be split between the newly created department and the existing charitable organization(s). | |
| **Clarifying questions and/or questions for experts** | 1. What mechanisms would need to be in place to ensure coordination between ICANN Org Department and existing charitable organization(s)? 2. What would be the benefits to working in collaboration with other organisations, if any? 3. Are there examples of this type of hybrid model that have been used in other contexts? | **Responses** |
| **What are the general pros of this mechanism?** | [*These are verbatim from the input received during the F2F session. The idea is that once above questions are answered, these pros will be updated to reflect facts and figures obtained*]  this could be a display of multistakeholderism in action. Collaboration is not easy, but it is the spirit of this community and how the Internet was build. Community consultation, community engagement.  Independence from ICANN constituencies  Can have more control  ICANN can steer Org away from wrong decisions  ICANN can build partnership with other organisation: networking  Existing non-profits have experience to help getting started  Benefiting of external expertise | |
| **What are the general cons of this mechanism?** | [*These are verbatim from the input received during the F2F session. The idea is that once above questions are answered, these cons will be updated to reflect facts and figures obtained*]  Collaboration and coordination take time and effort, as trust gets built  Do not do this. It created unnecessary overhead. Keep it simple  Why creating a permanent department for a temporary structure?  TM problem with iPAD  ICANN might over-influence Org in decisions  Split decisions and multi-org priorities may cause delays and blocks to get projects underway  Permanent org for a temporary task?  I do not support: easy of implementation  Over-influence of ICANN  Possibly means extra staff costs  Over influence of ICANN  Lack of sufficient coordination between the 2 parts  Extra ICANN org staffing costs (where is the money coming from?)  Work duplication  Costs  Multi-layer, too many departments | |
| **What should be the role of the existing charitable organization(s) in this mechanism?** | [*To be further considered by the CCWG*]  Depending on experience and capacity, an assessment of what can an organization can bring to the table could be implemented. Clear roles and deliverables will be needed.  Do the actual selection of who gets funds  Central organisations that know how to do this  Decide which people and organisations get their projects funded  Everything that ICANN does not know how to do: application process, provide application platform, due diligence and contract signing  Oversee reporting  None, it will create overcharge | |
| **What should be the role of the new ICANN Proceeds Allocation Department created as part of ICANN Org** | [*To be further considered by the CCWG*]  I think the role should be on legal/contracts with recipients, financial management and support for disbursements mostly and to coordinate with the implementation partners.  New ICANN CCW team with staff (ICANN) support working with existing charitable organisation  Support the org in the selection process  Inefficient. Should leverage the existing 3rd party expertise  Selecting appropriate organisations + monitoring, selecting, operating  ICANN is free at doing things that are not within its area of expertise (grant-making)  Oversight, extra check to make sure no cannotread | |

|  |  |  |
| --- | --- | --- |
| **Possible mechanism #3** | *A new structure would be created (e.g. ICANN foundation)* | |
| **General description** | A new structure would be created separate of ICANN Org which would be responsible for solicitation and evaluation of proposals, and disbursement process, in accordance with the recommendations of the CCWG. | |
| **Clarifying questions and/or questions for experts** | **Set up**   1. How would independence from ICANN be guaranteed while at the same time ensuring that legal and fiduciary constraints are met? 2. What criteria would need to be established to guide the selection of location/jurisdiction for a new structure?   **Costs**   1. What costs would be involved in creating such a structure as well as overhead expected to run such a structure?   **Running of structure**   1. Who would oversee and/or control this structure? What would be the role of ICANN management? 2. How can responsiveness to stakeholders be ensured? | **Responses** |
| **What are the general pros of this mechanism?** | [*These are verbatim from the input received during the F2F session. The idea is that once above questions are answered, these pros will be updated to reflect facts and figures obtained*]  Probably only to take full credit of the operation, but as with credit it will also have to take all the responsibility  Potential other funding coming in (not from ICANN TLD)  Transparency & accountability to ICANN.org  Cost effective  Can be located in a neutral jurisdiction  Benefiting from external expertise  Sole focused on funding  Experience focus on purpose  Simply to oversee. Will follow guiding principles for managing of the funds.  Would this be efficient. If so, oversight would be easier. | |
| **What are the general cons of this mechanism?** | [*These are verbatim from the input received during the F2F session. The idea is that once above questions are answered, these cons will be updated to reflect facts and figures obtained*]  Starting everything from scratch might be costly and require a lot of effort  Costs. A new body of administrators that need to be paid.  Addition of complexity  Costly  Lack of future involvement of internal management that make ICANN totally dependent to external  High overhead: opportunity costs, admin costs, complexity, make work  Too complicated  Mission creep Kingdom building  Not just mission creep, this is mission gallop, extra costs and overhead | |
| **Comment** | Unless there is a reason to believe that this effort will be recurring, please don’t do this  An ICANN foundation taking into account the ICANN needs but “put” under an existing foundation who will take care of the process. Example AFNIC foundation under foundation de France. | |

|  |  |  |
| --- | --- | --- |
| **Possible mechanism #4** | *An established entity/entities (e.g. foundation or fund) are used (ICANN would organize the oversight of processes to ensure mission and fiduciary duties are met)* | |
| **General description** | An established entity / entities (e.g. foundation or fund) would be responsible for solicitation and evaluation of proposals, and disbursement process, in accordance with the recommendations of the CCWG. | |
| **Clarifying questions and/or questions for experts** | **Selection**   1. Which process(es) could be used to determine which entity/entities are suitable? 2. How to ensure that entity/entities goals align with that of ICANN and usage of funds? 3. What criteria should be part of a selection process? E.g. location, access.   **Oversight / enforcement**   1. What contractual obligations would need to be established with ICANN to ensure compliance with legal and fiduciary requirements and adherence to other requirements? 2. How to avoid duplication of oversight as presumably entity/entities will have their own oversight mechanisms in place? 3. What oversight mechanisms need to be in place? |  |
| **What are the general pros of this mechanism?** | [*These are verbatim from the input received during the F2F session. The idea is that once above questions are answered, these pros will be updated to reflect facts and figures obtained*]  Build on experience, already recognized  Most use of $ for good, least overhead. Leverage existing expertise.  Can get to work quickly  Does not have high associated cost related to hiring and legal proceeds (as opposed to ICANN foundation)  Benefit of establshed  Cheaper settings  Faster process  Well established external expertise  Oversighted by internal expert of ICANN which ensures compliance of proper functioning of the established entity  Best by far  Could be less expensive and get ? that have IC ? experience  Perceptions of higher transparency  Expertise of entity/entities in grant-making and grant-making processes  Independent  Independent of ICANN | |
| **What are the general cons of this mechanism?** | [*These are verbatim from the input received during the F2F session. The idea is that once above questions are answered, these pros will be updated to reflect facts and figures obtained*]  Tailoring/adapting to ICANN  Lack of knowledge of purpose  Not clear how to set and agree on priorities  Fiduciary responsibilities will require double oversight +1  We will have a very difficult time agreeing on the chosen entity (even with a good RFP)  Conflicts of interest with funds ideas for usage  ICAnN not experienced in monitoring external organization  Lose communities input  ICANN needs to supervise closely  Controlling this entity / oversight etc. might be a challenge  Overhead costs, waste extra admin  Loss of direction  Inefficiency  Costly  ? long term involvement of internal expertise  Will add overcosts to the structure  Additional cost  This creates extra cost, it may not necessarily ensure consistency with ICANN’s mission. May result in lots of back and forth in process  Could be more expensive  Would external entity have its own priorities? | |