**Board Input in relation to Annex C**

(see <https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000024.html>)

The Board refers back to its [communication to the CCWG in January 2018](https://www.icann.org/en/system/files/correspondence/botterman-burr-to-mann-chiao-31jan18-en.pdf) on both the Objectives and Annex C- Guidance for proposal review and selection document (previously “Preamble”). The Board is concerned that the content in Annex C creates potential inconsistencies with the Objectives and ICANN’s Mission and therefore could result in confusion during application and selection and may result in challenges against the selection process. For example:

* Annex C states that, while the Mission will set the “key parameters” for the application and selection process, the “broader Internet context” should be taken into consideration and that, “in addition” to the ICANN Mission, the proceeds “shall be used to support projects that are consistent with an ‘open and interoperable Internet’.” As the Board previously noted ([in its January 2018 letter](https://www.icann.org/en/system/files/correspondence/botterman-burr-to-mann-chiao-31jan18-en.pdf)), items that benefit the ‘open and interoperable Internet’ may exceed the scope of the ICANN Mission. The Board encourages the CCWG to review this language and reduce the potential for confusing applicants on how to structure grant requests. As the Board noted in its [September 2017 communication](https://community.icann.org/display/CWGONGAP/Correspondence?preview=/64075095/69281386/Board%20Reply%20CCWG-AP%201%20Sept%2017%5B1%5D.pdf), the Board “is responsible for assuring that the organization stays within mission and does not have the ability to apply the mission in a broader interpretation here than it could for general operations. If the CCWG is dissatisfied with the restrictions that the enumerated mission statement places on the outcomes of the CCWG’s work, that is a fundamental question for the ICANN community to resolve, as the ICANN Board is holding the organization to the mission that the ICANN community developed through the Enhancing ICANN Accountability process.”
* The Board would appreciate further clarity on how the “guidelines for review” in Annex C should be applied and how that guidance interacts with the overall specific objectives laid out in Recommendation #2. Must all guidelines be met for each application? The Board’s [January 2018 letter](https://www.icann.org/en/system/files/correspondence/botterman-burr-to-mann-chiao-31jan18-en.pdf) also asked if “an applicant (must) meet each of the Proposed Objectives, or any one plus consistency with ICANN’s Mission? Is there any prioritization of the objectives?”
* What are “Projects supportive of ICANN’s communities’ activities” and how is this assessment determined, particularly in relation to regular work of SO/AC/SG/RALOs already covered by ICANN’s operational budget?

Annex C- "Guidance for proposal review and selection"

In addition to the previously mentioned feedback above, particularly on the limitation of the funds to support ICANN’s Mission, the Board would like to offer the following considerations:

The Board notes that there are two guidelines offered in Annex C that have the ability to be interpreted as directing the use of the Auction Proceeds funds for ICANN’s ongoing operations. Those are:

#4: “Projects addressing diversity, participation and inclusion should strive to deepen informed engagement and participation from developing countries, under-represented communities and all stakeholders.”; and

#5: “Projects supportive of ICANN’s communities’ activities are encouraged.”

The Board asks for clarification on whether these guidelines are intended to modify the principle that the auction proceeds should not be used to contribute to ICANN’s ordinary operations. The current formulation of these guidelines could leave open the possibility that applications support such on-going operations as they relate to engagement and participation in ICANN’s policy development process.