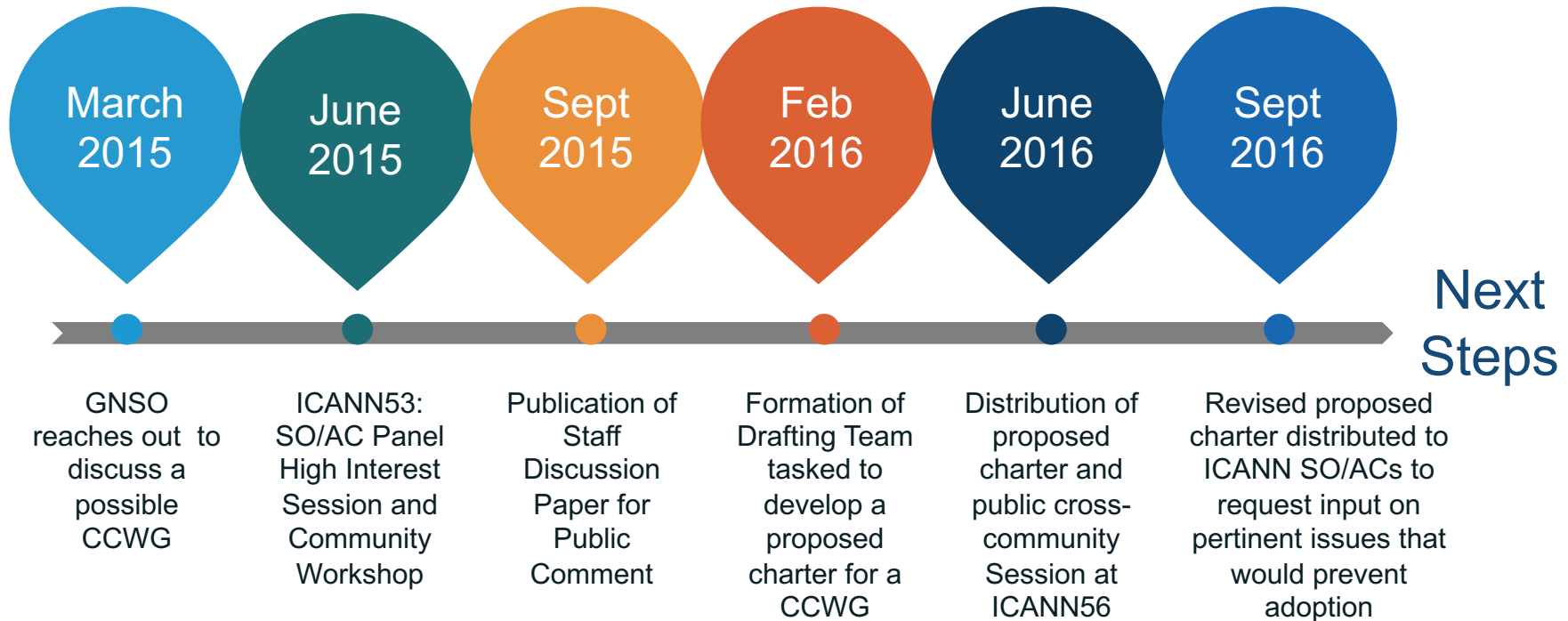




New gTLD Auction Proceeds – Proposed Charter for CCWG

Process and deliberations to date



Proposed CCWG Charter – State of Play

1

Substantive community discussion and input has led to the proposed charter

2

Comments received on draft charter were reviewed utilizing public comment tool and addressed by DT

3

Proposed charter is the result of extensive discussion and compromise

4

ICANN SO/ACs have been requested to identify any key, pertinent issues that would prevent adoption of the charter



If no pertinent issues are identified, request will follow - consider charter for adoption



If pertinent issues are identified, DT to review charter and adjust as needed

Proposed CCWG Charter - Sections

**Problem
Statement, Goals
& Objectives, and
Scope**

**Deliverables &
Reporting**

**Membership,
Staffing &
Organization**

**Rules of
Engagement**

Problem Statement, Goals & Objectives, and Scope

Goals & Objectives

- ⦿ CCWG tasked with developing proposal(s) for consideration by Chartering Organizations on mechanism to be developed in order to allocate new gTLD Auction Proceeds
- ⦿ CCWG also expected to consider the scope of fund allocation, necessary conditions to preserve ICANN's tax status and how to deal with potential or actual conflicts of interest.
- ⦿ The CCWG will not make recommendations or determinations with regards to specific funding decisions (i.e. which specific organizations or projects are to be funded or not).

Scope – Guiding Principles for CCWG

- Ensure transparency & openness;
- Provide sufficient accountability;
- Ensure that processes and procedures are lean & effective;
- Take all appropriate measures to deal with conflicts of interest, which includes enhanced disclosure as part of CCWG process as well as avoiding conflicts at subsequent stages; and
- Deal with diversity issues by:
Striving for a fair, just and unbiased distribution of the auction proceeds not inconsistent with ICANN's mission & seek to ensure diversity of members/participants/observers of the CCWG itself

➔ *N.B. These apply both in the context of CCWG deliberations as well as the final recommendations*

Legal and Fiduciary Constraints

- Allocation will need to factor in that auction funds to be utilized in a manner not inconsistent with ICANN's Mission.
- CCWG expected to make recommendations on how to assess the extent to which use of proceeds is aligned with ICANN's mission
- ICANN will maintain ultimate responsibility for the confirmation of all disbursements
- Proposal(s) must not endanger ICANN's tax exempt status
- Specifically high standards when dealing with conflict of interest
- Administration of disbursement process as well as necessary oversight will be funded from auction proceeds

➔ For further details, see [the memo](#) prepared by ICANN Staff

Scope – Questions to be answered

1. What framework (structure, process and/or partnership) should be designed and implemented to allow for the disbursement of new gTLD Auction Proceeds?
2. What will be the limitations of fund allocation, factoring in that the funds need to be used in line with ICANN's mission while at the same time recognising the diversity of communities that ICANN serves?
3. Safeguards to be put in place to ensure that the creation of the framework, as well as its execution and operation, respect relevant legal and fiduciary constraints?
4. What aspects should be considered to define a timeframe for the funds allocation mechanism to operate as well as the disbursements of funds?
5. What conflict of interest provisions and procedures need to be put in place as part of this framework for fund allocations?
6. Any priority or preference be given to organizations from developing economies, projects implemented in such regions and/or under represented groups?

Scope – Questions to be answered (continued)

7. Should ICANN oversee the solicitation and evaluation of proposals, or work with another entity e.g. a foundation created for this purpose?
8. What aspects should be considered to determine an appropriate level of overhead that supports the principles outlined in this charter?
9. What is the governance framework that should be followed to guide distribution of the proceeds?
10. To what extent could ICANN, the Organization or a constituent part thereof, be the beneficiary of some of the auction funds?
11. Should a review mechanism be put in place to address possible later adjustments to the framework following the completion of the CCWGs work? e.g. to accommodate changes which may occur that affect the original recommendations (for example, changes to legal and fiduciary requirements and/or changes to ICANN's mission)?

Deliverables and Reporting

Deliverables and Reporting

1

Work Plan

As a first step, CCWG will develop and adopt a work plan and an associated schedule of activity.

4

Board Consideration

The Board will consider the Final Report, following adoption by the Chartering Organizations.

2

Initial Report

The CCWG is expected, at a minimum to publish and Initial Report for public comment.

5

Reporting

The Chair(s) of the CCWG shall ensure regular updating of the Chartering Organizations on the progress made.

3

Final Report

The Final Report is to be submitted to the Chartering Organizations for their consideration.

Membership, Staffing & Organization

Membership, participants & observers

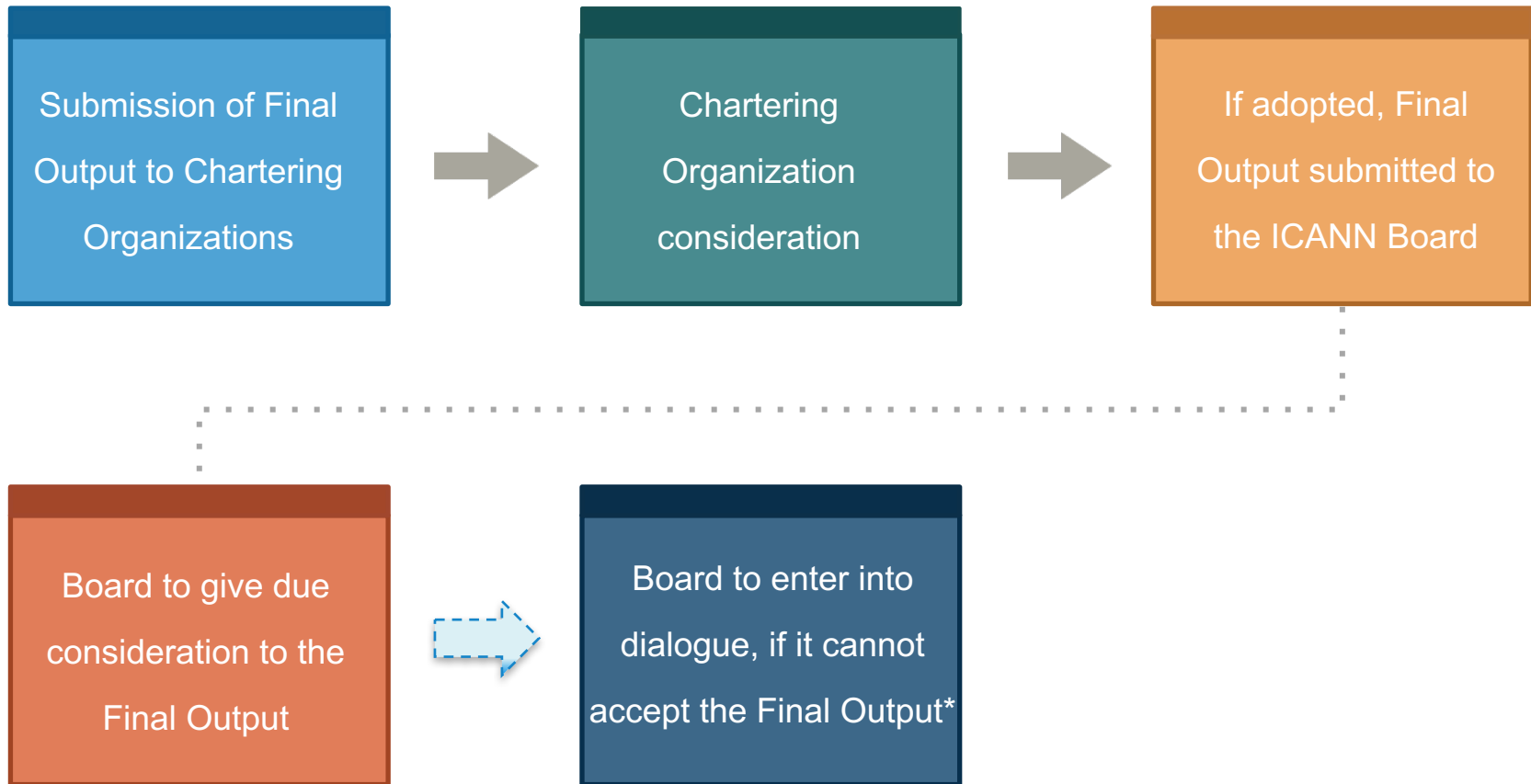
- Each Chartering Organization shall appoint a minimum of 2 and a maximum of 5 Members. Chartering Organizations should make reasonable efforts to ensure that the composite of individual Members:
 - Have sufficient and appropriate motivation (and ideally expertise);
 - Commit to actively participate in the activities of the CCWG;
 - Solicit and communicate views and concerns of appointing CO;
 - Commit to abide by charter;
 - Understand the needs of the Internet communities that ICANN serves;
 - Understands the broader ecosystem.
- Furthermore, the CCWG will be open to any interested person as participant, as well as observers.
- In addition to SOI, all members and participants will be required to provide mandatory disclosures concerning the intention to apply for (or in any way support the application for) new gTLD Auction Proceeds.
- CCWG will include participation from the ICANN Board via liaisons.
(Expected role: Initial commitment, Subsequent enhanced commitment, Requirement to sign off on ALL disbursements)

Rules of Engagement

Decision-making: CCWG (internal) Decision-making

- In developing its output, work plan and any other reports, the CCWG shall seek to act by consensus.
- If making a consensus call, the Chair(s) should always make reasonable efforts to involve all Chartering Organization appointed Members of the CCWG
- The chair(s) shall be responsible for designating each position as having one of the following designations:
 - a) Full Consensus - a position where no minority disagrees; identified by an absence of objection
 - b) Consensus – a position where a small minority disagrees, but most agree

Decision-making: External Decision-making



** Including, for example, where the Board's fiduciary responsibilities or legal obligations are impacted, or other obligations under the Bylaws or related Articles may be impacted*

Expected Next Steps

ICANN SO/ACs to confirm whether there are any critical, pertinent issues in the proposed charter that would prevent adoption

If no pertinent issues are identified, ICANN SO/ACs to consider charter for adoption*

Following adoption of charter, call for volunteers to form Cross-Community Working Group on new gTLD Auction Proceeds

**If pertinent issues are identified, DT will need to review these and decide if/how proposed charter is to be updated*

Further Information

PROPOSED CCWG CHARTER: <https://community.icann.org/x/mRuOAw>

- New gTLD Auction Proceeds Discussion Paper - <https://gns0.icann.org/en/drafts/new-gtld-auction-proceeds-07dec15-en.pdf>
- Transcript, recording and presentations from new gTLD Auction Proceeds Workshop - <https://buenosaires53.icann.org/en/schedule/wed-cwg-new-gtld-auction>. ICANN53 High Interest Session in Buenos Aires (in addition to workshop): [session materials here](#).
- Transcript, recording and presentations from June 28th 2016 cross-community [ICANN56 session](#)
- [Note to Auction Proceeds DT regarding legal and fiduciary principles](#)
- ICANN56 Comment Review Tool - <https://community.icann.org/x/fgmbAw>
- DT wiki space - <https://community.icann.org/x/px6AAw>

Engage with ICANN



Thank you and Questions

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