

Questions / Approach for addressing input received on Charter Question #8 / Guidance for the Implementation Phase in relation to charter question #8

Charter Question #8: What aspects should be considered to determine an appropriate level of overhead that supports the principles outlined in this charter?

OVERARCHING QUESTION:

As a result of the input provided during the public comment period, should the CCWG reconsider its recommendation / implementation guidance that:

Guidance for the Implementation Phase in relation to charter question #8: ICANN and any partnering organizations are to design a cost-effective model that ensures an appropriate proportion of the funds are available for distribution to fund recipients. ICANN and any partnering organizations are to follow industry best practices, where appropriate and applicable. To the extent possible in light of program objectives and requirements, the principle of simplicity should apply.

If yes, why?

If no, why not?

If it is not possible to make this determination at this stage, what input, or information would be necessary to make this determination?

Comment #2 (NCSG)	
Suggestion from Commenter	CCWG to consider being less vague in relation to the Implementation Guidance in relation to charter question #8 – chosen mechanisms operating budget should be capped at 10%.
Leadership recommendation	Check: whether we like to recommend a precise cap for the operating budget.
CCWG Team discussion / agreement	

Response to Charter Question #8/Guidance for the Implementation Phase in relation to charter question #8

#	Comment	Contributor	Type of change suggested by commenter / Possible action and/or question for CCWG	CCWG Response / Action Taken
<p>Section Summary: <u>Charter Question #8:</u> What aspects should be considered to determine an appropriate level of overhead that supports the principles outlined in this charter? <u>Guidance for the Implementation Phase in relation to charter question #8:</u> ICANN and any partnering organizations are to design a cost-effective model that ensures an appropriate proportion of the funds are available for distribution to fund recipients. ICANN and any partnering organizations are to follow industry best practices, where appropriate and applicable. To the extent possible in light of program objectives and requirements, the principle of simplicity should apply.</p> <p>Overview of Comments: One comment suggests that additional detail should be added to Guidance for the Implementation Phase and proposes specific elements to consider. A second comment refers to input provided by the ICANN Board on Accountability Mechanism considerations.</p>				
1.	<p><u>Charter Question #8 (overhead)</u> The Board welcomes the CCWG’s recommendations on cost-effective use of resources, best practices, and simplicity, and refers to the input above in Section 4.3 on Accountability Mechanism considerations in support of this. See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000024.html</p>	ICANN Board	None (recommendation is welcomed)	<p>Support CCWG Response: The CCWG appreciates the input provided</p> <p>Action Taken: none for the moment.</p> <p>[COMPLETED / NOT COMPLETED] – [Instruction of what was done.]</p>

2.	<p>The NCSG generally agrees with the guidance offered for the Implementation Phase and we have addressed many of these issues in our comments above. However, we consider the guidance offered for the Implementation Phase in relation to charter question #8 (appropriate level of overhead) to be too vague. Specifically, the “principle of simplicity” is an abstract notion. Instead, the chosen mechanism’s operating budget should be capped at 10% of the total amount of the auction proceeds (or 10% of the tranche allocated to the mechanism at any one time). This measure is meant to prevent exorbitant overhead costs is necessary, even though we fully understand that doing good does come at a cost. The mechanism chosen to allocate auction proceeds will not face the traditional costs associated with non-profit marketing, fundraising or promotion. Therefore, a cap on overhead spending should be imposed.</p> <p>See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000034.html</p>	NCSG	<p>CCWG to consider being less vague in relation to the Implementation Guidance in relation to charter question #8 – chosen mechanism’s operating budget should be capped at 10%.</p> <p>Leadership recommendation</p> <p>Check: whether we like to recommend a precise cap for the operating budget.</p>	<p>Concerns</p> <p>CCWG Response:</p> <p>Action Taken:</p> <p>[COMPLETED / NOT COMPLETED]</p> <p>– [Instruction of what was done.]</p>
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