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17	Judith Hellerstein
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20 John Levine

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56	Maureen Hilyard
57	Carolina Caeiro

Message

I feel like I have lost the plot. Further, I feel like I am making the same points over repeatedly. I believe that we had a process that the preferred approach was:

- * have the review and decisions on awards made by members of the community sitting in a group (how this is set up)
- * not have staff perform this function.

This will be, to my recollection, the third time I have raised this as at odds with a written report. Every time I raise it, I get an agreement and no one on the other side. It feels to me like the report reads:

- * staff will perform this function with an external organization as a partner.

Did something dramatic happen in Marrakech that overturned nearly two years of discussions? Again, I feel lost.

The point about preferring simply that to a relationship with an external body, which I believe was clear consensus.

I don't want to fork the thread but my point is that I believe we have done so (twice) and it is A with community input.

I do not agree that we had reached a decision to recommend only one mechanism. There were several who preferred C being re-reviewed.

Apologies for the long radio silence and thank you for the work done so far on the final report. I continue to follow the list, but as the call have unfortunately clash consistently with the IGF MAG ones, I had no chance to join for quite some time. I strongly support the report's recommendations to focus on one mechanism (A), as indicated below as well as the need for a board and an independent evaluation panel that will bring community input to the process.

As the other mechanisms are part of the report, are analysed and discussed their pros and cons and the support for them is important for the CCWG to recommend one, so the actual process to apply and allocate funds gets started. . . [state the role of the community are included as inline comments in report]. . . I was wondering if there will be an additional consistency, once it includes all the agreements and all comments are cleared/resolved? I've picked up a few things that will be corrected when the final version is ready, so I've rather wait to make those comments.

The parts of the document where DAFs are mentioned have comments asking if it is or not necessary to include it. It mentions replacing the DAF for partner or external organization and leaving it once just a note (or a footnote) in the report. It also mentions an external organization and ICANN manages the funds, further research into the existing DAFs or the opportunities for the CCWG deliberations didn't include the identification of a specific DAF that ICANN can give to". They also mention to engage external organizations that have more experience on grants management and are sector agnostic such as (before) that support organizations such as ICANN to manage their own grants programs without the massive overhead that will require, but leaving control to the donor organization, after clear processes are laid out). Of course, as this is less important, but I think it will be good not to focus it only on DAFs but without removing them completely. I am happy to help review changes to how that is expressed in the report.

I suggest that the idea of 'mechanism' also refers to fostering better practice and exchange with the CCWG's

I believe we need more clarity on describing the Mechanisms in section 4.

Mechanism A: The current wording is "An internal department dedicated to grant solicitation, implementation and administration of the organization . All grants are listed in ICANN's annual tax recordings."

The term "evaluation" is unclear. We have stated unequivocally that under no conditions would ICANN employee evaluations be done by an external group. Therefore I presume the word "evaluations" here is evaluating whether projects will be done but it is something that we have largely been silent on elsewhere in this report, so I am not sure why it is mentioned. I believe that the application evaluations will not be done "internally"

For "All grants are listed in ICANN's annual tax recordings.", I do not believe that the expression "annual tax recordings" is supposed to be "annual tax returns". But I note that what is in or not in ICANN's annual tax returns is a matter for ICANN. Whether a \$50,000,000 grant or a \$20,000 grant will be listed is not our decision to make. Perhaps we should specify what is documented. But should that not be the case REGARDLESS of the mechanism???

Mechanism B: I presume the phrase "established at a public charity" should be "established as a public charity". The issue of how the money is being raised as in our case all of the money is coming from ICANN which does not pay any taxes. So it SOUNDS like a public charity case.

It should be made clear that at this point, it is not clear what parts would be outsourced and what will be kept within ICANN (which must be outsourced).

Mechanism C: It is not clear here that the level of actual independence from ICANN will rest entirely on how independent (other than a minority) controlled by ICANN (or the ICANN Board), then it is not independent) and we have not discussed the issue on its fiduciary requirement which the Foundation would be subject to under contract, and not on how the operation is run.

Mechanism B: I presume the phrase "established at a public charity" should be "established as a public charity". The issue of how the money is being raised as in our case all of the money is coming from ICANN which does not pay any taxes. So it SOUNDS like a public charity case. It should be made clear that at this point, it is not clear what parts would be outsourced and what will be kept within ICANN (which must be outsourced).

I believe that this is supposed to say that ICANN establishes a captive foundation as a subsidiary.

Having done exactly that at ISOC, I can say that for the CCWG's purposes, giving away a one-time pile of money, mechanism A. It costs more, takes longer, has a lot more bureaucratic overhead, and can do no more or no less than what ISOC is doing. As Alan notes, it has no tax benefits. It is a waste of everyone's time to pursue it further. If anyone has a concrete idea, and is reasonably familiar with US non-profit tax law so they understand what's involved, I would like to hear from you. PS: ISOC's situation is quite different and it makes sense for us. If anyone wants details write me privately.

Hi Judith, You say " It seems clear to me that Mechanism A would not meet the independent requirements set up in the charter. Please explain. Thanks.

B was not an ICANN Subsidiary but some other existing entity that we could team up with so that we did not have to create a new one. That being said, I am happy to eliminate it!

Mechanism A always has the option of outsourcing some of the functions. BTW, under the California law that we are using we have a "subsidiary", but that is just a nomenclature issue.

Would it be helpful, just for information, to note that : "Public Technical Identifiers (PTI) was incorporated in August 2001 and its contracts and subcontracts with ICANN, began performing the IANA functions on behalf of ICANN in October 2001

Thank you for reminding us of this connection which we raised as an option to consider very early in our discussions.

PTI's structure and functions have no relationship to the ccwg's. I do not understand why people keep bringing it up. It is a contract to ICANN and others. It does nothing even a little bit like giving out grants.

The point is that ICANN can create a structure/department that can act autonomously.

I'm sorry, but that completely misses the point of PTI. It exists as a separate subsidiary because it has multiple c and ICANN. As I may have mentioned once or twice, that's irrelevant to this CCWG.

ICANN can authorize a department to act however it wants so long as it complies with ICANN's mission and US layers of corporate or other structure. All that's needed is a resolution from the board setting it up.

By the way, Alan reminded me that I conflated options B and C. The captive foundation is option C. Option B, is extra layers of bureaucracy which, of course, would again add complexity with no advantage to anyone. The only

How autonomous an affiliate organization is (that is the correct term in lieu of "subsidiary") is wholly dependant In the case of PTI/IANA, the Board has five member, three of who are appointed by ICANN. That gives ICANN full if ever).

Mechanism A is an internal icann department hired to do the evaluation and choosing of grants As such icann staff will be reviewing all grant applications and choosing the winners. This is why I said, to me it i independence and in my mind does not meet the requirements set up by the board.

If icann outsourced the reviewing and selection of the grantees it us not clear to me what the difference of the n With mechanism b, this choice of reviewing and selecting the grant winners will be done by the donor advisory fi has no ability to influence

Mechanism C is an icann foundation. Again an independent group reviews and select the grantees

Hope this answers your questions

Judith, that is NOT the case. Mechanism A will require that the actual review of applications and the decision of with NO decision authority or control being held by ICANN employees. The Board has made it very clear that it d decisions, REGARDLESS of the model chosen.

As such icann staff will be reviewing all grant applications and choosing the winners. This is why I said, to me it i independence and in my mind does not meet the requirements set up by the board.

If icann outsourced the reviewing and selection of the grantees it us not clear to me what the difference of the n The difference is that a foundation will cost a lot more and is far more complex to manage.

With mechanism b, this choice of reviewing and selecting the grant winners will be done by the donor advisory fi has no ability to influence

Mechanism B is a variant of A because with A, ICANN ***MUST*** outsource the selection process and ***MAY*** outsc developing specific expertise in-house.

Mechanism C is an icann foundation. Again an independent group reviews and select the grantees

That is not implicit in having a foundation. Although the details are different, I will use PTI as an example. PTI is ICANN. PTI outsources some of its work to ICANN (such as accounting, payroll, parts of IT). So ICANN employees PTI Board, but ICANN appoints 3/5 Board members giving it effective control over most aspects of PTI.

So a new foundation still ***COULD*** have ICANN employees doing the selection.

But since we have set an unalterable rule saying that ICANN employees cannot be allowed to do this, the founda selection. Just as that same rule prevents the ICANN department in Mech A from using ICANN employees.

As I represent the CSG, which is 3 constituencies, I will restate that we have strong concerns about Mechanism A complete independence, which is of critical importance. I can't say that have been able to fully consult recently w general direction has not changed.

We supported Mechanism C, and our preference has not changed. Accepting that there needs to be two options, community -- still we strongly require that there be more fact based, and not just opinions from each of us as part have experience or preference, the CSG prefers to see fact based and even external reports. We do not support re ICANN staff analysis on certain areas, as for Mechanism A, given the landfall of chargeback costs, there could be u Thus we want to see independent analysis of the key questions. and while we welcome ICANN legal and financial are not experts in grant making, grant management and while they can "count heads" and analyze certain functio etc., maintaining separate bank accounts, as they have done with the Auction Funds proceeds as an interim mana sophisticated grant management entity.

Mechanism A: This in not the CSG preferred option.

We have described our concern that there are issues about an in-house entity, with many issues related to how t of staff, increased liability to ICANN Org, overall, etc. etc

It is not accurate to state that because ICANN can set up separate bank accounts and maintain independence of s truly independent grant making program. AND in operating such.

An internal unit will have higher costs than are being acknowledged. On'e can't work part time on policy develop morph over to spend 4 hours per day on a grant making program, at a lower costs, or at the same, higher cost of reporting purposes.

ICANN pays much higher salareies/benefits than is usual in a grant making entity and has also exit costs for staff v surplus", etc. And, not it isn't sufficient to cite California laws as if an employee is based in Europe, they gain addi take a sabbatical to attend an educational program, and they simply are then still able to return to ICANN with a g past. ICANN pays at far above usual rates for a not for profit organization, instead benchmarking against high tech to in the Budget Comments from the community, but is relevant here only as any "internal" process brings on exc making/grant oversight/management process established in an external organization.

I heard statements like: these staff can apply for ICANN iobs in the future rather than being terminated. Let's be

I heard statements like: these staff can apply for ICANN jobs in the future, rather than being terminated. Let's be need to recognize that.

In addition, the internal mechanism assumes that ICANN bills the "fund" at their usual really [well, I hesitate to use for any services they provide, and any services they provide are on top of what is supposed to be a full time job [a retention of contractors, external resources, or additions of staff]. All at ICANN usual "costs".

Again, higher than is usual for grant making organizations.

The independence of any "internal body" is highly questionable.

Stating that the ICANN Board has fiduciary responsibility, etc. is factual, but does not mean day to day oversight. the need for an independent disbursement mechanism.

In fact, in the view of some, including the CSG and others in the public comment process, creating a mechanism with influence from Board and staff and even community, with focus on the established criteria led to members of the recommendation of Mechanism A and B.

Mechanism C remains our preferred option to present but we understand that it is possibly useful to present Mechanism A to a single mechanism at this point, among those who are active representatives and participants in the process. We understand that this has been a prolonged and intensive effort. And we are close to the end -- presenting, we hope to address remaining questions, and then posting for our final public comment process.

Frankly, as for me, there are continued questions about the influence of the staff and even the Board from time to time. It is appropriate to have "preferences" expressed, which occasionally I have feared that I detected -- e.g. the Board preferences. I believe strongly, and advocated from when I became the CSG rep that it is essential to have a very stringent approach for a public service, not for profit corporation, incorporated under California law. And an independent process that is clearly not part of the core mission of ICANN -- e.g. grants management of a short term/but multi million\$ created ICANN. Creating a separate Foundation, with a separate independent Board, with perhaps two ex officio members on the Board, and a community advisory group

I understand that some prefer to have the function inside ICANN. That is not supported by others in the members' view. Mechanism A and C, but then actually doing more due diligence as needed about each. Statements that a separate internal mechanism are speculative right now, but can be addressed by factual analysis. However, I do not agree

attributes of staff or process to manage grant solutions/review/management. 😊 Yes, they can set up separate administrative reporting, and of course, would have to be paid for at the usual ICANN [which is quite generous] fees. Skills to do grant solicitation, award/evaluation is different.

Recently an experienced colleague in grants management told me he managed a \$80M grant which was dispersed then performance of 1 year period, with a second year management/evaluation process, and described the overhead of a \$190M grant process -- again, disbursement/oversight/evaluation within a 3 year period. These are not trivial tasks. Cost is high, but is based on what kind of evaluation is required, and whether it is a grant to do something, or a grant to do an assessment- a) hold a meeting with 50 people/address training in DNSSEC, 40 of those invited attended/ 35 received training. b) multi year, multi country training program in capacity building in DNS issues and successfully bring in 200 attendees. c) Evaluate changes in expertise.

Mechanism B had some attraction but there was not enough work on the criteria about how to select the "partner making program.

Thus, I hope that the CCWG-AP sending forward Mechanism A and Mechanism C -- with the clear understanding of Mechanism A, and prefers Mechanism C. And we will encourage informed comments during the public comment process. It is important to be clear about what the public comment process is about.

I spent over an hour clarifying to Fellows and NextGen, who were encouraged by ICANN staff to express their "preference". This is a misunderstanding and probably on many parts. That is NOT the purpose of the CCWG-AP, and probably also not the purpose of the public comment process. I encouraged attending the CCWG-AP session but it is important to understand that this public comment includes a slush fund; it is not up to the ICANN Board to direct; it must be independently managed and not put ICANN's integrity under any even suspicion.

Boards change, so do Senior staff/executives. The community needs to have a good understanding of our responsibilities and the purpose of the Auction Proceeds.

We supported Mechanism C, and our preference has not changed. Accepting that there needs to be two options, one for the community -- still we strongly require that there be more fact based, and not just opinions from each of us as participants. We have experience or preference, the CSG prefers to see fact based and even external reports. We do not support relying on ICANN staff analysis on certain areas, as for Mechanism A, given the landfall of chargeback costs, there could be

Well, it's an actual fact that ISOC set up a captive foundation to handle its grants, and I was there while we did it and it takes longer than setting up an internal department. I completely sympathize with your concerns to keep the corrupt influences from ICANN org (in the sense of not following the process, not of being illegal.) But adding a bullet. It seems to me that the key is that whoever does it has a management structure separate from existing ICANN, probably not colocated with them. We can do that as well with option A as option C.

Marilyn, although I have preferences, I will not here debate the options or even how we are to decide, but I would like to see a foundation operating.

The only example we have for a corporation being set up in addition to ICANN is PTI. In that case, the majority of the Board members were being appointed by the ICANN NomCom, so it is hard to claim that there is any independence. I presume that you are suggesting that you would like to see a majority of Foundation Board members being appointed NOT by ICANN. What level of majority for non-ICANN Board members would you see them being selected?

You talk here about the potential for ICANN chargebacks being excessive. PTI purchases (ie outsources) a variety of services (ie building space, etc.) Would you foresee the Foundation doing the same or are you suggesting that this not be all done by the Foundation, or outsourcing them to some non-ICANN entity(ies).

You talk about ICANN's salaries being excessive. How would you enforce lower salary levels in the Foundation with the Foundation employees being able to be hired by ICANN for significant pay increases?

The gist of my questions are that indeed, ICANN may have high operating costs, but I am unsure how the Foundation could allow us to address such issues, but without clear ground rules, an "independent" foundation would face the same issues as those you associate with Mechanism A.

As Marilyn would like to hear some fact base, below just to share my own experience :

I was responsible (besides other things) during my time in the government, for some grants (the amount was 1 billion dollars) to select relevant projects under the Information Technology Law under the Federal Secretariat as was the head of the Secretariat. We were public, could not contract anyone, and should be accountable to the federal Government, Treasury and the Public Ministry (from Judiciary) and the Account Tribunal which controls the righteous expenditure. To deal with this challenge we form a Committee of volunteers , without paying any member.

Processes to receive, analyze, select and specially control the disbursement of grants demands a lot of work , per the theme associated to the grant to allow a fair and constructive selection of the projects. The committee had to be accountable to all. The money were for staff support, legal support, travels to visit the proposed groups for any project, general cost to be accountable to all.

How we have worked:

We announced the openness of the slot of time to receive proposals – 3 months – and publish the requisites and general criteria we will use for selection under the Law. Took us 2 previous months to prepare for receiving all projects - we made a pre selection into 3 categories- excellent / good / poor and then analyze over 2000 projects / interviewed / visited their facilities, if not known etc. and start to refine the selection, calling the good ones. If there were not enough good projects to reach the overall amount for the year , the difference will be transferred to a public Foundation, kind of Bank, to support R&D development and R&D, as well as give grants to research centers or universities for smaller projects, still under the Law of Information Technology. The amount to his own task.

The most difficult part was to control the development of the project – committee members were assigned to follow the project and a quarter report is demanded from the grantee, till the deliverables were done.

Both alternatives were used at the time:

1. send money to third part and just got the reports analyzed by the Committee, and
2. an "inside" management with the committee and third part staff/ legal contracted personnel.

My evaluation:

Even less work sending money to the Foundation, the best results from projects (hence better \$\$ expended) were achieved.

Vanda, if i correctly understood you, some of your projects were sent out to existing organizations for management (that is closer to Mech D which we have discarded). We are talking about first having to build then run the external

1. My preference would be that the CCWG recommend one single mechanism, so that work can start as soon as if we continue to be unable to arrive to an agreement.

2. As stated by Eliot and Sylvia, we should ensure we bring community input into the process. This in my view w Sylvia's proposal that we outline what that community engagement would look like to best inform the work of th talking about the community advisory board and an independent evaluation panel). I won't have the chance to re try to do so prior to the next meeting on Wednesday.

4. In terms of preferred mechanisms, I incline for Mechanism A. I think there is more agreement than we think o both supporters of mechanisms A and C: independence, cost-efficiency of the mechanism, community engagem allows us to more swiftly get to work, and that for whichever mechanism we pick, we ensure those safeguards a

Hi Alan, I think (but could be wrong) that Vanda was agreeing with you and showing Marilyn a working example

Based on a number of discussions here and privately among the At-Large Members, I would like to make a propo We have been focusing on "mechanisms" for the last LONG while. Perhaps that was a wrong approach.

Based on recent comments from Maartin and Sam, ANY mechanism will use an arms-length project review proc the decisions. So let's put that to bed.

ANY of the mechanisms we have been looking at could be implemented so that they meet our goals, albeit in dif But any of them could also fail. For instance, a Foundation has been discussed with the presumption that it will I ICANN involvement. But as an example, PTI is a corporation separate from ICANN, but a controlling majority of it significant services from ICANN. If we were to implement the Foundation that way, many among us would belie So it is not the name that matters, or the corporate structure, but the details of HOW it is implemented that ma Perhaps we should not worry about the "mechanism" and focus instead on criteria. Based on that, I suspect the i decision and not the political (or religious?) decision it now is.

One clear criteria is that the project selection should be done independent of ICANN - already agreed upon by all. What else is there that we feel might differentiate a good implementation from a bad one?

Perhaps: Do not build processes/staff if the service can be readily and economically outsourced?

Perhaps: Do not replicate services already available from ICANN if they do not impact the integrity of the grantin project outcome evaluation, reporting)

There are likely more, but I suspect there are not actually that many.

folks, we must avoid being about ourselves. We need fact based information that is not our own experience, whi experiences. I am not being critical. I am merely thinking of my mentoring professor who was trained by Sal Aler own. They are small and if we are independent thinkers, then we are required to think not about what we experi Let's not assume anything from our own experience. Count on facts.

from others and then inform us. That was my message. We have been a bit too much opinion based in my view. BUT, we had only a few advisory discussions with a young and ICANN selected expert, who then disappeared, an some of our questions. And we haven't even had that "expert" to query in many months.

We are charged with being non biased; informed/ demanding factual information. Let's focus on whether we ca And ask ourselves [and require ICANN to fund any needed independent, and totally unbiased views] quickly.

ICANN has a lot of \$\$ tied up in their own "risk" in the event that they fall over, right? we even agreed to a contr a limited, and one time contribution.

We don't want the mechanism we create to be vulnerable to more liability for ICANN, to Board or new /CEO/ser This is external to ICANN's core mission, but needs to be consistent with ICANN's overall mission.

I keep looking at attendance of all of us; I read all transcripts, when not able to attend. I read all the transcripts f membership role after meeting 17.

Time to present two options. One and three.

Facts are our friends.

I am writing these comments with hopes that Marilyn will post to the CCWB Auction Proceeds list.

To further demonstrate this principle regarding the need for independence, I will mention that in connection with the plan for Subsequent Procedures that was drawn up by ICANN staff, the Marrakech presentation to the Sub Pro W that among the possible sources of funding for staffing up for the next round might be to "borrow from Auction Proceeds" (Sub Pro recording from that session in Marrakech.)

I believe I had commented remotely in Marrakech that to the extent that decisions on hiring and firing of grant-making staff and/or the Board, there could not possibly be a reasonable level of independence in the grant-making operation to defend challenges to grants made by that department. Auction proceeds are already a controversial topic and it is more controversial by simply setting up some department guidelines and expecting people who are hired and fired to do other than what they are directed to do by those who control their paycheck.

The old saying goes that There is nothing new under the sun. Although we like to think that ICANN's decision-making entities, the management and risk management challenges associated with this task and the related ethical considerations, a notable point of comparison would be universities, which generally have a number of associated entities involved. ICANN, operate in an environment where public trust and confidence is key.

Regarding Alan's comment about the composition of a Board in relation to Option C, I agree it's clear that PTI is a non-profit corporation's By-Laws could easily provide that the majority of directors NOT be affiliated with ICANN in accordance with the Foundation's Articles and ByLaws as long as the Foundation's staff was not hired and fired by ICANN.

Regarding Option A, it seems to me that some California legal advice on the best way to effectively preserve the trust may be advisable for ICANN to set up a charitable trust and to name Trustees who again, constitute a voting majority on the Board. The Trustees would then have their own fiduciary duty to the Trust itself (which would encompass the ICANN to ICANN the corporation.) In this regard, one piece of the analysis relating to Option A that is clearly missing is FIDUCIARY DUTY TO THE ICANN CORPORATION ITSELF. This fiduciary duty to the ICANN corporation can easily be established by grant-making. For example, for the ICANN Board, the fiscal condition of the corporation itself is paramount. If ICANN is to review the actions of the grant-making organization while at the same time allowing the corporation itself to deal with this potential conflict is to assure total independence of grant-making and many of the public concerns. The above considerations are not terribly different from the governance issues faced by universities and the foundation. Option C, a separate non-profit corporation with majority independent directors would be preferable from the standpoint of the public. If that mechanism is seen as too unwieldy, ICANN should, at a minimum, set up a Trust mechanism to hold the funds on the Board of Trustees. These Trustees should be responsible for hiring and firing qualified grant-making personnel independent even if housed in the same building. Best practices would dictate against sharing personnel. And yes, if the CCWG has already examined the Trust mechanism in the context of Option A, I apologize for bring this up. ICANN can establish the required independence by setting up a department within ICANN where employees responsible for hiring staff and/or Board.

Anne, there is no question that one can structure a foundation so it is "independent". My point was in all of the times we have never even mentioned this criteria - and its absence could allow us to create a foundation which is ultimately focused on the important matters instead of the names that concerns me.

Several people have alluded to ICANN using some of the auction funds to boost the reserve and have used this as a precedent. My recollection is that very early on, the Board made it clear that regardless of the mechanism, they did not foresee a large transfer (\$100m or \$235m) in one fell swoop. I believe the term "tranche" was used to say that the money would be transferred to maintain full control of the remaining funds. And ultimately if the situation warranted might redirect them (the Board).

Hi Anne. From among your interesting email, I have selected one section which is what I have frequently proposed would not be possible - but there surely MUST be an alternative available to ICANN if we were to use Mechanism independent body but in association with them somehow. I too asked if we could seek more advice on what might be because of what it does, but that it was a separate autonomous structure set up for a completely specific purpose work. This new mechanism that I was hoping we might get some legal feedback on, could be similar and its link would be transferred to it from ICANN each year or whenever. A trust would work. I think it should still be considered.

**Regarding Option A, it seems to me that some California legal advice on the best way to effectively preserve the trust. It may be advisable for ICANN to set up a charitable trust and to name Trustees who again, constitute a voting membership Board. The Trustees would then have their own fiduciary duty to the Trust itself (which would encompass the ICANN to ICANN the corporation.) **

I think I am in Alan's corner here. Any independent structure needs to purposefully minimise friction with ICANN and should be deemed not suitable in this case. It is not impossible that outsourcing everything except an equal ICANN cost effective.

I am inclined to agree that it is all about implementation criteria that will most probably win the day. This is not underserved regions of the world in attempting to narrow the ever increasing digital divide.

Statement to the CCWG Auction Proceeds from At-Large

Because we could not agree on a mechanism, most of the At-Large Auction Proceeds team agrees to the following mechanism is chosen should adhere to:

1. As stated by the Board, the evaluation of applications and selection of the annual slate of grant recipients is to be independent.
2. The mechanism must ensure that decisions related to the evaluation of applications should be independent of the applicants and their projects, and an independent panel who would evaluate the annual slate of grant recipients.
3. The independent panel should comprise of community advisors * who have been selected by the SO-ACs relevant to the work had grant-making or grant-giving experience * who can commit the time required to meet in order to complete the work during the year * who must recuse themselves from any decisions on a project that they may be connected to.
4. The mechanism should be able to sustain an office space and paid staff whose role will cover day-to-day administrative work, research into and make recommendations regarding project applications; * coordination for travel arrangements for the independent panel * carry out the disbursement of the funds following any relevant US Laws * carry out on-going monitoring to timeframes
5. There needs to be clarification about the definitions and roles of the community stakeholder group and of the staff paid within the mechanism.
6. Subject to legal constraints on dealing with specific countries, the mechanism must make grants to entities worldwide.

John, I am not going to critique anything about ISOC creating a foundation. why, wherefore, or amounts, or when, but, my point is we cannot use a single personal experience in the establishment of a foundation as the role model. Such a recent situation and one that is individual to a particular entity in the technical community does not necessitate a laudable response to a funding opportunity that benefitted ISOC and where ISOC is creating a foundation to support a BRAND new. Not a role model. Laudable for ISOC. Excellent!

Legal status of "parent" organization: different from ICANN.
Responsibility of "parent" organization -- VERY different.
Incorporation of organization -- Different

It is not just John's personal experience. It is Vanda's which she share in detail. And mine with CIRA (and my own detail. And others. I am not sure why you don't trust the community to deal with this issue appropriately. This is face-to-face time to discuss this (and apologies for not being in Marrakech) as there is a subtlety that I think a meeting is great. It describes what we want while mostly avoiding guesses about what structure would best make it work. The best to compare the setting-up of mechanism A would be of ICANN Nominating Committee.

Comment with respect to Mechanism A: "I do not see how this mechanism answers the boards questions on the grants and choose the ones that will be approved. The internal icann department will do that. Independence is critical reasons why I do not support this mechanism"

Comment with respect to Mechanism B: "I thought this is a DAF, if we are not choosing a DAF then I am not sure DAF needs to be totally independent of ICANN."

Comment regarding Mechanism B: "I think it is still unclear about what is a DAF unless it is a charitable foundation normally engage in charitable distribution from its normal operations like the APNIC Foundation."

Comment regarding Mechanism C: "I thought that mechanism c has gotten more prominence now that we understand than with mechanism b."

In response to Charter Question #7: Should ICANN oversee the solicitation and evaluation of proposals, or delegate for example, a foundation created for this purpose. Comment: "The answer here is no. The criteria are published by the Foundation and they decide according to the criteria. That is why it is so important for this body to be independent"

Comment regarding Mechanism B: "Not sure that there was seen to be a suitable existing organisation which is meeting all the criteria of an independent foundation was suggested."

Comment regarding Mechanism B: "I thought the entire reason for mechanism B is that it will be using a DAF structure"

Comment regarding Mechanism B: I support Sylvia's proposal to change from exclusively referring to DAFs, to "the organization" as per the edits in her draft.

Comment regarding Mechanism B: "Is there an example of a DAF which can be given here so that we can look at it?"

Comment regarding Mechanism B: "how do we ensure that the DAF follows the direction of a community body?"

Comment regarding Mechanism B administration: "where is it seen that the stakeholder advisory group sits?"

Comment regarding stakeholder engagement for Mechanism B: "we would be expecting the community stakeholders those made by the CCWG"

Comment regarding the Board of the Foundation under Mechanism C: "It need not be a large ICANN sized Board."

Comment regarding potential role of stakeholders in Mechanism C: "I believe that this is a real positive from the process"

Comment regarding the ability to sunset Mechanism C: "This type of set up is very common, see examples of ISC and some of the other RIRs."

Comment regarding international capabilities of Mechanism C: "It could work similar to ISOC and APNIC Foundation"

Comment regarding international capabilities of Mechanism C: "again plenty of examples of this especially ones that are not charitable"

Comment regarding excise tax on capital gains of 1-2% under Mechanism C.: "These would not be insurmountable"

Comment regarding the following text about the ability to sunset Mechanism C: "Yes, although costs/complexities of these mechanisms, but this would need to be further investigated to be able to confirm." Maureen's response: "+1"

Comment regarding Mechanism D: The difference between Mechanism B and D does not feel entirely clear.

I think there were two distinctive aspects:
- These external entities did not need to be charitable organizations. This mechanism to me covered ICANN's position. It posed less control than other options."

Comment with respect to Mechanism D: “agree that this was not seen as a suitable option.”

Link

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Comments

Board liaisons reiterated Board position: neither the Board nor Org should play a decision-making role with respect to individual applications

- evaluations and selection must be done by a completely independent panel.
Emphasis on completely independent.

Co-Chair clarified that the group had agreed to narrow the list, but not necessarily select only one mechanism.

Some of these comments are also included in the draft report text as comments, as they refer to specific edits.

John later clarifies that his concerns refer to Mechanism C, not B as indicated in the message.

Message refers to Judith's comments made in redline to the report.

In response to John's email #8.

In response to Marie's email #11.

In response to Marie's email #11.

In response to John's email #13.

In response to Maureen's email #14. ICANN Legal provided clarification: "To further refine John's statement, the internal organizational structure of ICANN is within the CEO's power to determine and does not require Board action or resolution, so long as the CEO is acting within his Bylaws-granted and Board delegated powers."

In response to Maureen's email #14.

Response from ICANN Legal: "As a point of clarification, the ICANN Board has already provided inputs that it expects the evaluation of applications and selection of the annual slate of grant recipients to be done by an independent panel. As a result, the conclusion that "icann staff will be reviewing all grant applications and choosing the winners" is not an option that we understand to be under consideration for any of the mechanisms. Under A, ICANN org would be responsible for contracting with an external, independent panel and would have to build in the appropriate mechanisms to maintain independence of that panel, similar to what has been done for other evaluation processes over the years."

In response to Judith's email #17.



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In response to Marilyn's email #19

In response to Marilyn's email #19

In response to Marilyn's email #19

In response to Vanda's email #22.

In response to Alan's email #23.

In response to Elliot's email #25.

In response to Anne's email #28.

In response to Anne's email #28.

In response to Anne's email #28.

In response to Alan's email #26.

In response to John's email #20.

In response to Marilyn's email #34.

In response to Maureen's email #33.

In response to Maureen's email #33.

See #1: Board liaisons reiterated Board position that * neither the Board nor Org should play a decision-making role with respect to individual applications *evaluations and selection must be done by a completely independent panel. Emphasis on completely independent.

See #1: Board liaisons reiterated Board position that * neither the Board nor Org should play a decision-making role with respect to individual applications *evaluations and selection must be done by a completely independent panel. Emphasis on completely independent.

