

Survey of Globally Recognized Procedures for Financial Assistance Programs

Considerations in Implementing an Applicant Support Program in
Subsequent Rounds of the New gTLD Program

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1 Executive Summary

In the 2012 round of the New Generic Top-Level Domains (gTLD) Program, the Internet Corporation for Assigned Names and Numbers (ICANN) implemented an Applicant Support Program (ASP) to provide financial assistance to potential gTLD applicants in underserved and underdeveloped regions. The overarching goal of the ASP was “to serve the global public interest by ensuring worldwide accessibility to, and competition within, the new gTLD Program.”¹ The ASP received three applications, one of which qualified for financial support. The applicant that qualified became a contracted registry operator.

Subsequent review of the 2012 round by the ICANN organization (org) considered whether the ASP was successful. This review concluded that, “given the low number of applications submitted, consideration should be given to exploring how the Program can be improved to serve its intended purpose.” Specifically, the Program Implementation Review Report suggested additional research regarding the needs of the “target market” and “globally recognized procedures” that might be used for a financial assistance program like the ASP.² This recommendation was later supported by the Generic Names Supporting Organization (GNSO) New gTLD Subsequent Procedures Working Group in its Final Report, published in 2021.

To that end, ICANN org has conducted research of globally recognized procedures of existing financial assistance programs that could be adapted to the ASP in future rounds of the New gTLD Program. This paper provides the findings from that research and is organized into four sections to cover four key areas of intervention to promote diversity and accessibility. Specifically, the paper’s sections explore these guiding questions:

- How does a Provider of Financial Support³ widen and deepen its applicant pool? That is, how can it increase the number and diversity of qualified applicants to its financial assistance program?
- What factors do other Providers of Financial Support consider in assessing an Applicant for Financial Support’s⁴ eligibility for a financial assistance program, paying particular attention to the high-level criteria of public interest, financial need, and financial capability?
- What methods do other Providers of Financial Support employ to assess applications from applicants of diverse backgrounds equitably and objectively?
- What strategies do Providers of Financial Support employ to track or support applicant success beyond the application process?

For each section, ICANN org provides a summary of research on the topic and examples of interventions employed by similar programs. This paper concludes with a discussion of

¹ See: <https://newgtlds.icann.org/en/applicants/candidate-support>.

² Program Implementation Review. (2016). ICANN, pg 159, <https://www.icann.org/en/system/files/files/program-review-29jan16-en.pdf>.

³ This paper uses the term Provider of Financial Support to refer to an entity that provides financial assistance to individuals or other entities through a dedicated program, including grants, loans, and aid.

⁴ This paper uses the term Applicant for Financial Support to refer to an individual or entity that is interested in or has applied to a financial assistance program.

considerations for implementation of a future ASP based on findings from the research. A summary of those considerations can be found in Table 1.

ICANN org intends this research to inform its analysis and discussions with the Implementation Review Team in designing the next round of the ASP as well as serve as a starting point for any additional research that may be required for successful implementation. The Summary of Considerations table below indicates how these general research findings might be relevant to the context of the Applicant Support Program. This summary is included to enable further exploration in the development of the Applicant Support Program and is not intended to represent specific advice, plans, or commitments.

Table 1. Summary of Considerations

Intervention Area	Summary of Research	How might this be explored in the ASP?
<u>The Applicant Pool</u>		
Applicant Awareness	<ul style="list-style-type: none"> To widen and deepen the applicant pool, Providers of Financial Support should expand outreach to audiences that have been previously overlooked by outreach efforts or program selection. Outreach efforts aimed at new target audiences should consider the language skills, knowledge base, and geographic location of potential applicants. Outreach efforts should provide the necessary information for the potential applicant to make an informed decision, including the potential costs and benefits of participation in the program. 	<ul style="list-style-type: none"> Explore ways to clarify the objective of the ASP to identify target groups for outreach efforts. Consider employing efforts to understand the needs of target groups in order to tailor outreach information and increase accessibility of the application. Consider how to include information about program costs and benefits in the outreach plan.
Application Accessibility	<ul style="list-style-type: none"> Best practice guidance recommends that Providers of Financial Support seek to uncover and combat bias in the application process by detecting any assumptions made about context, language, background knowledge, and skills that are built into the application. 	<ul style="list-style-type: none"> Consider offering optional information sessions as these can provide additional information and guidance on how to complete the application. Consider how to streamline the application to be more accessible to more applicants.

Intervention Area	Summary of Research	How might this be explored in the ASP?
	<ul style="list-style-type: none"> To be more inclusive of potential applicants from underserved markets, Providers of Financial Support can consider streamlining the application to make it less burdensome for potential applicants. Providers of Financial Support also can tailor the application to the needs of the potential applicant, especially their unique language and resource needs. Support during the application process also can help clarify the process for those applicants that may be unfamiliar with application processes and procedures. 	<ul style="list-style-type: none"> Explore best practices for providing additional support to potential applicants during the application process, such as language and technical assistance.
Applicant Capacity	<ul style="list-style-type: none"> Potential Applicants for Financial Support from underserved markets may have less developed organizational capacities in areas that are needed to submit an application and be competitive in the selection process. Providers of Financial Support can implement capacity development strategies to help potential applicants strengthen key competencies. This can include training, technical assistance, and pipeline preparation programs. 	<ul style="list-style-type: none"> Explore formal ways to connect pro bono service providers with potential Applicants for Financial Support to provide capacity development and application support to potential.
Eligibility Criteria		
Public Interest Benefit	<ul style="list-style-type: none"> The definition of the public interest criterion should align with the overall goals, objectives, and scope of the financial assistance program. Public interest is commonly defined by (a) the impact of the applicant or by (b) applicant characteristics. 	<ul style="list-style-type: none"> Consider ways to define eligibility criteria of public interest benefit in alignment with the overall objectives of the ASP or other ICANN initiatives, e.g., the Global Public Interest Framework (GPIF).

Intervention Area	Summary of Research	How might this be explored in the ASP?
	<ul style="list-style-type: none"> Public interest benefit, defined as the impact of the applicant’s project, can be assessed by having the potential applicant submit a written narrative and using a clearly defined rubric to score it. If public interest benefit is defined by applicant characteristics, this can be assessed by clearly defining target groups that would be in alignment with the overall goals of the program and asking applicants to submit proof that they belong to these target groups. 	<ul style="list-style-type: none"> Consider ways to streamline the process of evaluating public interest benefit by asking applicants to submit a narrative describing their public interest benefit or proof that they belong to an identified target group.
Financial Need	<ul style="list-style-type: none"> Financial need criteria are commonly defined as (a) experiencing a shortfall in actual financial resources and (b) having limited potential to access financial resources in the future. When measuring shortfall in actual resources, it is recommended to establish a simple method or set a normalized threshold to determine financial need. When examining limited potential to access resources, programs should identify underserved markets that may have limited access to financial resources. This list should consider the context of the program when defining target markets. 	<ul style="list-style-type: none"> Sharing the method or threshold for determining financial need when assessing actual financial shortfall may help improve transparency. Similarly, consider sharing a list of underserved markets that may experience limited potential to access financial resources. Explore potential opportunities to streamline the determination of financial need by evaluating for either a shortfall in actual resources or limited potential to access financial resources.
Financial Capability	<ul style="list-style-type: none"> Financial capability is both backward- and forward-facing, assessing past performance and current capacities to determine future success. 	<ul style="list-style-type: none"> Consider the possibility of asking for qualitative data in addition to quantitative data, such as financial audits, to make the application more equitable for potential

Intervention Area	Summary of Research	How might this be explored in the ASP?
	<ul style="list-style-type: none"> Financial capability can be determined through a due diligence process that includes auditing financial statements or, in the case of startup organization applicants, asking for a business plan. Providers of Financial Support in philanthropy probe for both quantitative and qualitative aspects of financial capability to ensure a more equitable process. Financial capability can also be determined by past performance, including success implementing similar projects. Providers of Financial Support should re-evaluate their risk tolerance to promote more inclusive and equitable funding. 	<p>applicants from underserved markets.</p> <ul style="list-style-type: none"> Explore how to use other organizational capacity areas in addition to finances to determine capability (e.g., financial health, governance, vision, and human resources). Consider aligning program risk tolerance with the goals of the ASP to ensure worldwide accessibility to, and competition within, the New gTLD Program.
<u>Evaluating Applications</u>		
Review Panels	<ul style="list-style-type: none"> Expert guidance suggests reviewers should come from diverse backgrounds and possess the appropriate skills and expertise to evaluate candidates. Evaluation should be standardized through reviewer training, including orientation sessions and/or manuals. This training should include Diversity, Equity, and Inclusion components. 	<ul style="list-style-type: none"> Explore the possibility of utilizing two review panels, one with expertise in public interest and the other with financial expertise. Consider developing training materials for review panel members.
Application Evaluation Process	<ul style="list-style-type: none"> It is common for similar programs to employ a multistage evaluation process by using a preliminary application or letter of intent (LOI) and administrative review process to select candidates for full review. This decreases the time and resource burden placed on the applicant. 	<ul style="list-style-type: none"> Consider ways to use a multistage evaluation process to streamline evaluation of applications and reduce time and resource burdens placed on applicants.

Intervention Area	Summary of Research	How might this be explored in the ASP?
Scoring	<ul style="list-style-type: none"> In order to compare assessment of applications under evaluation, it is helpful to assign a scoring scheme to each eligibility criterion. Most evaluation matrices provide reviewers with normally comparative statements that carry a certain value. To promote the degree of agreement among evaluators, research suggests using a 7-point scale. Evaluation matrices can be weighted to give more importance to certain criteria when calculating overall score. However, weighting should be kept as simple as possible. 	<ul style="list-style-type: none"> Explore ways to clarify the scoring scheme used to assess applicants. Consider designing an evaluation matrix that is simple and still gives appropriate weight to important eligibility criteria.
Selecting Candidates	<ul style="list-style-type: none"> Financial assistance programs commonly rank applicants to facilitate the final decision process. Applicants can be ranked together to promote vertical equity or ensure aid is offered to those with greater demonstrated need. Applicants can also be grouped with similar applicants and ranked within this smaller grouping to promote horizontal equity. 	<ul style="list-style-type: none"> Consider clarifying program priorities to determine appropriate means of distributing available funds to qualifying applicants.
<u>Ongoing Applicant Support</u>		
Financial Support	<ul style="list-style-type: none"> Supported applicants may have limited access to the financial resources necessary for long-term sustainability. To combat this issue, Providers of Financial Support can provide direct or indirect additional financial assistance post-award. 	<ul style="list-style-type: none"> Explore opportunities to support the ongoing financial needs of supported applicants.
Non-Financial Support	<ul style="list-style-type: none"> Providers of Financial Support can also provide ongoing non- 	<ul style="list-style-type: none"> Consider identifying long-term capacity needs of

Intervention Area	Summary of Research	How might this be explored in the ASP?
	financial support through technical assistance and knowledge networks to promote sustainability of supported applicants.	supported applicants and exploring opportunities to support those needs through capacity building efforts.
Mixed Support	<ul style="list-style-type: none"> It is common for Providers of Financial Support to offer a mix of financial and non-financial support to more comprehensively address the underlying issues faced by successful applicants and help promote long-term sustainability. 	<ul style="list-style-type: none"> Consider opportunities for comprehensive ongoing support.

2 Introduction and Background

In 2007, the Generic Names Supporting Organization (GNSO) approved launching the 2012 round of the New Generic Top-Level Domains (gTLD) Program. One of the objectives of the New gTLD Program was to “open up the top level of the Internet’s namespace to foster diversity, encourage competition, and enhance the utility of the DNS.”⁵ One of the implementation guidelines in this report provided that ICANN “may put in place a fee reduction scheme for gTLD applicants from economies classified by the UN as least developed.”⁶

Fostering diversity in the ICANN ecosystem consists of the “creation/existence of an inclusive environment in various aspects of stakeholder representation and engagement.”⁷ This includes consideration of various elements, such as geographic/regional representation, language, gender, age, and stakeholder groups or constituencies. While the New gTLD Program was aimed at promoting diversity, there were community concerns that the application fee would act as a barrier to entry for many, in effect limiting diversity and competition.⁸ As the Governmental Advisory Committee (GAC) stated regarding the New gTLD Program, “a single fee structure creates limitations, notably by skewing the market in favor of applications from the developed world and those with significant financial resources.”⁹

Responding to concerns that a US\$185,000 single-fee structure associated with the New gTLD Program was prohibitive for applicants from underserved and underdeveloped regions, the ICANN Board approved US\$2,000,000 to subsidize a fee-reduction program in 2011. This program, the Applicant Support Program (ASP), was designed “to serve the global public interest by ensuring worldwide accessibility to, and competition within, the new gTLD Program.”¹⁰ The ASP would allow qualified applicants to pay a US\$47,000 application fee instead of the full US\$185,000.¹¹ For more information regarding the background and design of the program, see [Appendix A](#).

During the 2012 round of the program, ICANN org received a total of 1,930 applications for new gTLDs, resulting in 1,241 new gTLDs introduced into the Internet at the time of writing. The ASP received three applications for financial support and, of those, only one application was found to meet the criteria for a reduced application fee. The US\$2,000,000 reserved by the ICANN Board to provide financial assistance was not exhausted.

⁵ See [gTLD Program Applicant Guidebook](#) for the 2012 round. This objective was reiterated in Affirmation 1.3 of the SubPro PDP Final Report, which stated: “The Working Group affirms that the primary purposes of new gTLDs are to foster diversity, encourage competition, and enhance the utility of the DNS.”

⁶ <https://gnso.icann.org/en/issues/new-gtlds/pdp-dec05-fr-part-08aug07.htm>

⁷ See CCWG-Accountability-WS2 Final Recommendations <https://community.icann.org/display/WEIA/Diversity> for ICANN agreed upon definition of diversity.

⁸ The application fee for the New gTLD Program was set at US \$185,000 to (a) recover costs associated with the program, (b) ensure that the program was fully funded and revenue neutral, and to (c) ensure an investment and commitment on the part of the applicant in becoming a gTLD registry operator.

⁹ GAC <https://www.icann.org/en/system/files/files/karklins-to-dengate-thrush-18aug09-en.pdf>

¹⁰ <https://newgtlds.icann.org/en/applicants/candidate-support>

¹¹ See Approved Board Resolutions: <https://www.icann.org/en/board-activities-and-meetings/materials/approved-resolutions-regular-meeting-of-the-icann-board-singapore-20-06-2011-en>

Subsequent reviews of the New gTLD Program have commented on the design of the ASP. While the Competitor, Consumer Trust, and Consumer Choice Review Team Final Report concluded that “on balance, the expansion of the DNS marketplace has demonstrated increased competition and consumer choice and has been somewhat successful in mitigating its impact on consumer trust and rights (particularly trademark) protection,” it noted the ASP as, “hav[ing] missed the mark either in its design or execution.”¹²

As noted above, the Program Implementation Review Report (PIRR) developed by ICANN org suggested that, “given the low number of applications submitted [to the ASP], consideration should be given to exploring how the Program can be improved to serve its intended purpose.” The PIRR called for efforts “to better understand the needs of the target market and their obstacles to becoming registry operators (e.g., infrastructure, training).”¹³ Recommendation 6.1.b of the PIRR called for further research to identify “globally recognized procedures that could be adapted for the implementation of a financial assistance program (e.g., World Bank programs).”¹⁴ The New gTLD Subsequent Procedures (SubPro) Working Group Final Report, published in January 2021, supported this recommendation in Implementation Guidance 17.7 calling for research of globally recognized procedures that could be adapted to the ASP.¹⁵

Consistent with these recommendations, ICANN org initiated preliminary research of globally recognized procedures of financial assistance programs. As part of the Operational Design Phase for subsequent rounds of the New gTLD Program, research was conducted to explore high-level factors that contribute to the success and failure of a financial assistance program, such as determining the goals of financial assistance programs, developing application processes, and measuring the success of the program and applicants. Findings from this preliminary research are summarized in [Appendix B](#).

This paper builds on previous ICANN org research by exploring globally recognized procedures for attracting qualified candidates from underserved markets; defining eligibility criteria; evaluating and selecting candidates from diverse backgrounds; and supporting the ongoing success of supported applicants. While this paper does not provide recommendations for a specific model for an ASP, it offers considerations for program design that can enable the ASP to achieve its intended purpose of “ensuring worldwide accessibility to, and competition within, the New gTLD Program.”¹⁶ Additional targeted research may be helpful to further explore the various approaches, tools, and interventions mentioned below.

¹² <https://www.icann.org/en/system/files/files/cct-rt-final-08sep18-en.pdf>

¹³ <https://www.icann.org/en/system/files/files/program-review-29jan16-en.pdf>

¹⁴ Ibid.

¹⁵ Implementation Guidance 17.7: The Working Group supports Recommendation 6.1.b in the Program Implementation Review Report, which states: “6.1.b: Consider researching globally recognized procedures that could be adapted for the implementation of the Applicant Support Program.” See <https://gnso.icann.org/sites/default/files/file/field-file-attach/final-report-newgtld-subsequent-procedures-pdp-20jan21-en.pdf> for more information.

¹⁶ See Rationale for Recommendation 17.1 on page 77 of the SubPro Final Report: <https://gnso.icann.org/sites/default/files/file/field-file-attach/final-report-newgtld-subsequent-procedures-pdp-02feb21-en.pdf>

3 Research Design and Methodology

The objective of this paper is to contribute to the successful implementation of recommendations that call on ICANN org to research globally recognized procedures that could be adapted to the implementation of a financial assistance program, including Implementation Guidance 17.7 from the SubPro Final Report.

Guiding questions for this paper were developed through preliminary research of ICANN documents, including the PIRR, and best practices for identifying common barriers to application accessibility in financial assistance programs. Specifically, this paper explores these research questions:

- How does a Provider of Financial Support widen and deepen its applicant pool? That is, how can it increase the number and diversity of qualified applicants to its financial assistance program?
- What factors do other Providers of Financial Support consider in assessing an applicant's eligibility for financial assistance, while paying particular attention to the high-level criteria of public interest, financial need, and financial capability?
- What methods do other Providers of Financial Support employ to assess applications from applicants of diverse backgrounds equitably and objectively?
- What strategies do Providers of Financial Support employ to track or support applicant success beyond the application process?

To answer these questions, ICANN org surveyed existing research and expert guidance materials regarding financial assistance programs and examined other grant, loan, social investment programs, and international development projects. ICANN org examined programs in sectors where a focus on diversity, inclusion, and accessibility for underserved populations is common, including education, health, business, international development, philanthropy, and social venture capital. Included in the analysis for this paper are institutions that are consistent with those suggested in the SubPro Final Report (i.e., the World Bank) and programs with similar objectives to the ASP and the New gTLD Program, such as fostering diversity, building capacity, and promoting innovation. For a summary of organizations considered see [Appendix C](#).

4 The Applicant Pool: Attracting Qualified Applicants

An applicant pool consists of the total number of applicants that apply for consideration to any job, grant, or program during an application submission period. The diversity of the applicant pool for any application process can impact the overall diversity of those applicants selected for a job, grant, or program. A wide and diverse applicant pool for consideration to the ASP has the potential to increase the diversity of applicants to the New gTLD Program and contribute to the overall goal of fostering diversity in the DNS.^{17,18} With only three

¹⁷ The term diverse here is consistent with use in the ICANN ecosystem and refers to representation and/or participation of applicants from varying geographic/regional representation, language, gender, age, and stakeholder groups or constituencies.

¹⁸ See Affirmation 1.3 in the SubPro Final Report

applicants to the ASP in the 2012 round of the New gTLD Program, the applicant pool is a potential area of improvement to increase effectiveness of the ASP in future rounds.

ICANN org explored strategies that organizations can employ to widen and deepen their applicant pools, including interventions to increase the number and diversity of qualified applicants to financial assistance programs. Research suggests focusing on three main areas to widen and deepen an applicant pool: (1) applicant awareness, (2) application accessibility, and (3) applicant capacity.

Key findings of the research as well as considerations for the ASP are summarized in Table 2.

Table 2. Applicant Pool: Summary of Findings¹⁹

Intervention Area	Summary of Research	How might this be explored in the ASP?	Program Examples
Applicant Awareness	<ul style="list-style-type: none"> To widen and deepen the applicant pool, Providers of Financial Support should expand outreach to audiences that have been previously overlooked by these efforts and/or program selection. Outreach efforts aimed at new target audiences should consider the language skills, knowledge base, and geographic diversity of the potential applicant. Outreach efforts should provide the necessary information for the potential applicant to make an informed 	<ul style="list-style-type: none"> Explore ways to clarify the objective of the ASP to identify target groups for outreach efforts. Consider employing efforts to understand the needs of target groups in order to tailor outreach information and increase accessibility of the application. Consider ways to include information about program costs and benefits in the outreach plan. 	Co-Impact implemented various outreach strategies to widen and deepen the applicant pool for its flagship systems change grant, see Appendix D .

https://gnso.icann.org/sites/default/files/file/field-file-attach/final-report-newgtld-subsequent-procedure_s-pdp-02feb21-en.pdf

¹⁹ The information presented in this table is intended to enable further exploration in the development of the Applicant Support Program and is not intended to represent specific advice, plans, or commitments.

Intervention Area	Summary of Research	How might this be explored in the ASP?	Program Examples
	<p>decision, including the costs and benefits of participation in the program.</p>		
<p>Application Accessibility</p>	<ul style="list-style-type: none"> • Best practice guidance recommends that Providers of Financial Support seek to uncover and combat bias in the application process by detecting any assumptions made about context, language, background knowledge, and skills that are built into the application. • To be more inclusive of potential applicants from underserved markets, Providers of Financial Support can consider streamlining the application to make it less burdensome on potential applicants. Providers of Financial Support can also tailor the application to the needs of the potential applicant, especially their unique language and resource needs. • Support during the application process also can help clarify the process for those applicants that may be unfamiliar with 	<ul style="list-style-type: none"> • Consider offering optional information sessions as these can provide additional information and guidance on how to complete the application. • Consider ways to streamline the application to be more accessible to more applicants. • Explore best practices for providing additional support to potential applicants during the application process, such as language and technical assistance. 	<p>Recommendations for streamlining the application can be found in Appendix E.</p> <p>The Robert Wood Johnson Foundation has engaged in efforts to streamline its application process for accessibility and provide support to potential applicants. See Appendix E for more information.</p>

Intervention Area	Summary of Research	How might this be explored in the ASP?	Program Examples
	application processes and procedures.		
Applicant Capacity	<ul style="list-style-type: none"> Potential applicants from underserved markets may not have the organizational capacities necessary to submit an application and be competitive in the selection process. Providers of Financial Support can implement capacity development strategies to help potential applicants strengthen key capabilities. This can include training, technical assistance, and pipeline preparation programs. 	<ul style="list-style-type: none"> Explore formal ways to connect pro bono service providers with potential Applicants for Financial Support to provide capacity development and application support to potential. 	Examples of programs (e.g., USAID and IMF) that have employed various capacity development strategies can be found in Appendix F .

This section offers additional information regarding key considerations in each of these target areas.

4.1 Applicant Awareness

Awareness plays an important role in shaping the size and makeup of an applicant pool. Simply stated, without knowledge that a program exists, a potential applicant will not know to apply to said program. It is important to note that awareness goes beyond an understanding that a program exists but also includes an awareness of the program structure (e.g., objectives and eligibility criteria) and the information necessary to make an informed decision about applying.²⁰ To widen and deepen the applicant pool of the ASP in future rounds of the New gTLD Program, ICANN org can aim to raise awareness of the Program among a broader global audience.

²⁰ These factors have been shown to play an important role in the application decision process, particularly in the field of education. See <https://home.treasury.gov/system/files/136/Best-Practices-for-Financial-Literacy-and-Education-at-Institutions-of-Higher-Education2019.pdf> and <https://files.eric.ed.gov/fulltext/ED502067.pdf>.

Interventions aimed at increasing awareness to promote inclusivity focus on expanding outreach efforts.

Outreach

Expert guidance across fields agrees that broad outreach targeting previously overlooked communities is key to increasing awareness among a diverse group of potential applicants. This includes identifying new target audiences, building relationships with those new audiences, and providing the information necessary for potential applicants to make a decision whether to apply.

To identify new target audiences and expand outreach efforts, Providers of Financial Support should have a clear understanding of the objectives of the program to ensure that audiences align with the overall goals of the program. The Open Society Foundation's *Advancing Diversity, Equity, and Inclusion in Grant Making* guide recommends Providers of Financial Support take stock of their current outreach or funding approaches and look for gaps. Specifically, these organizations should reflect on:

- Who they already fund.
- Which types of groups they are drawn to over others.
- Which groups they feel less comfortable engaging with and why that might be.
- Who they might be missing as a result.²¹

This reflection is an opportunity for a Provider of Financial Support to identify blind spots and consider previously overlooked groups and communities that present areas of opportunity for future outreach.

In addition to reflection, a Provider of Financial Support can use data to determine which groups are underrepresented in its application and financial support efforts.²² This includes an analysis of support history to pinpoint groups that are disproportionately underrepresented in application submissions or in selection. These underrepresented groups or communities should be targeted as priority groups for outreach efforts in future application rounds.

After identifying target communities, research suggests that Providers of Financial Support should seek out, connect with, and build relationships with potential applicants in these target areas. Informed by research and their expertise in the field of philanthropy, Nancy Chan and Pamela Fischer have compiled and published a set of recommendations on the Equity in Philanthropy platform for Providers of Financial Support seeking to reach

²¹ Advancing Diversity, Equity and Inclusion in Grant Making here: <https://www.opensocietyfoundations.org/publications/advancing-diversity-equity-and-inclusion-in-grant-making>

²² Powell, John A. "Implicit Bias and Its role in Philanthropy and Grantmaking" National Committee for Responsive Philanthropy Quarterly Journal. Spring 2015

underserved communities.²³ Chan and Fischer recommend that providers use their organization’s existing networks to facilitate this process. Providers of Financial Support can poll community foundations and intermediaries working in a region of interest to learn about organizations that are a good fit for funding efforts. This includes checking community lists and talking to leaders in the community of interest. Providers of Financial Support can also utilize their networks by asking current grantees to recommend other organizations that might be good candidates for their financial assistance programs.

The Open Society Foundation’s *Advancing Diversity* guide also recommends that Providers of Financial Support publish materials in local outlets, partner with peer funders to leverage their networks, and “hire local consultants deeply rooted in the target community to support outreach activities at the community level.”²⁴

Once target communities have been identified, funders should focus on building relationships with potential applicants in these target areas. According to the Trust-Based Philanthropy Project, these relationships should be built upon mutual understanding, trust, and transparency.²⁵ Before reaching out to initiate relationships with new communities, Providers of Financial Support may want to assess how their organization is perceived by the target audience.²⁶ Research suggests that this process can involve asking exploratory questions that gauge an audience’s understanding of the organization offering financial support and their perception of the work. This can include asking the following questions:

- What do you know about the organization?
- What are we doing well?
- What can we do better?

These initial outreach efforts can provide insights into how to build relationships with potential Applicants for Financial Support in new communities and can impact programmatic objectives. Expert guidance suggests that engaging with the public in this way can also be an opportunity for the Provider of Financial Support to tell the organization’s story, demystify its mission, make its commitment to diversity explicit, and position the organization as an “accessible, trusted resource.”²⁷

Expanded outreach efforts should also consider the unique needs of the audience when presenting information, including language skills, knowledge base, and geographic background. It is important that outreach efforts (e.g., events, materials, presentations, webinars) offer information in the language of the potential applicant. To help curb applicant confusion, this information should limit the use of jargon, include only that information which

²³ A full list of these recommendations can be found at: <https://www.equityinphilanthropy.org/2016/10/04/dei-grantmaking-checklist/>. For additional context see https://ssir.org/articles/entry/eliminating_implicit_bias_in_grantmaking_practice

²⁴ Advancing Diversity, Equity and Inclusion in Grant Making here: <https://www.opensocietyfoundations.org/publications/advancing-diversity-equity-and-inclusion-in-grant-making>

²⁵ For more information about building trust-based relationships with grantees, see recommendations: <https://www.trustbasedphilanthropy.org/blog-1/2019/11/6/6-components-of-a-trust-based-relationship>

²⁶ *Ten Ways for Community Foundations to Consider Diversity and Inclusive Practices*: <https://cof.org/sites/default/files/documents/files/10wayscommunityfoundations%5B1%5D.pdf>

²⁷ Ibid.

is necessary for potential applicants to complete the application,²⁸ and, where possible, teach the *meaning* of key financial assistance terms rather than simply defining acronyms.²⁹ Outreach efforts should also be sure not to presume knowledge of US-based systems or organizational norms (e.g., US tax law or organization processes). An example of implementation of these outreach strategies can be found in [Appendix D](#).

Outreach information should provide sufficient, clear details for the potential applicant to understand the costs and benefits associated with applying to and participating in the financial assistance program. In the context of education, Raftery and Hout³⁰ found that a fee reduction is not enough to entice an applicant to apply to continue their studies. In their examination of the expansion of secondary school in Ireland, the authors found that little changed in the odds of participation when application fees, previously thought to be a barrier to disadvantaged youth, were removed. More than just fees, the authors argue, students and their parents make educational continuation decisions based on expected costs and benefits. Proponents of rational choice theory argue that these cost-benefit calculations are at the core of various decision-making processes.³¹ This indicates that, in addition to information regarding financial assistance, outreach efforts for financial assistance programs should provide information regarding the long-term costs and benefits of participation in the program.

Best practices recommend information about costs and benefits be presented in a transparent and clear manner. When addressing financial assistance in education, the US Financial Literacy and Education Commission³² recommends institutions of higher education do this by presenting students with individualized, itemized letters explaining their financial aid. This information allows students to understand *their* true cost of attendance and make an informed decision. The report goes on to recommend that these letters also include an explanation of expected costs that will *not* be covered by aid as well as variable costs that may change in future years.

4.2 Application Accessibility

The application itself can act as a barrier for many potential Applicants for Financial Support to move from an intention of applying to the action of submitting an application. As Marc Schultz of PEAK Grantmaking notes: "Because the standard grant application process is lengthy, time-consuming, and onerous, it favors [applicants] that have been given grants consistently: those that already have the infrastructure in place to tackle it."³³ Potential

²⁸ Zarate and Pachon. Perceptions of College Financial Aid Among California Latino Youth. The Tomás Rivera Policy Institute. 2006. <https://files.eric.ed.gov/fulltext/ED502067.pdf>

²⁹ Taylor, Z. W., and Ibrahim Bicak. "What is the FAFSA? An adult learner knowledge survey of student financial aid jargon." *Journal of Adult and Continuing Education* 25, no. 1 (2019): 94-112.

³⁰ Raftery, Adrian E., and Michael Hout. "Maximally maintained inequality: Expansion, reform, and opportunity in Irish education, 1921-75." *Sociology of education* (1993): 41-62.

³¹ Hechter, M., and Kanazawa, S. (1997). Sociological rational choice theory. *Annual Review of Sociology*, 23(1), 191-214.

³² US Financial Literacy and Education Commission *Best Practices for Financial Literacy and Education at Institutions of Higher Education* here: <https://home.treasury.gov/system/files/136/Best-Practices-for-Financial-Literacy-and-Education-at-Institutions-of-Higher-Education2019.pdf>

³³ <https://www.peakgrantmaking.org/insights/driving-equity-at-every-step-of-the-grantmaking-process/>

Applicants for Financial Support, particularly those from underserved communities and markets, tend to be disadvantaged in the application process or are deterred from applying because they may not possess the knowledge, skill, or resources required to complete the application. To widen and deepen the applicant pool for the ASP in the next round of applications for new gTLDs, ICANN org could consider exploring ways to make the application process more accessible for applicants from target regions.

Interventions in this area focus on increasing accessibility of the application process by uncovering bias, tailoring the application to the applicant, and offering various supports to make the application process less burdensome.

Uncovering Bias

Without being intentional, organizational processes and procedures—including an application process—can be laden with implicit or unconscious biases that limit the size of the applicant pool. The implicit assumptions, values, and norms of the Provider of Financial Support are often built into application processes, especially within the eligibility criteria and language used in the application, and tend to reward those socially similar to the Provider of Financial Support. This valuing of certain groups perpetuates social inequities across race, class, language, and geography.

To combat these biases, research suggests that Providers of Financial Support should try to uncover any assumptions made about context, language, background knowledge, and skills that might be built into their application process. As outlined in Peak Grantmaking’s *Uncovering Unconscious Bias*, a Provider of Financial Support is advised to take an intentional look at every step in the grantmaking process, including the questions asked on a grant application, and engage in known practices to combat bias.³⁴ Strategies for reducing bias can include doubting objectivity and acknowledging and accepting bias in oneself; increasing motivation to be fair; improving conditions of decision making such as slowing down to reduce automaticity; using data to determine patterns that lead to disparate outcomes; involving a cross-section of decision makers (including underrepresented groups); creating institutional mechanisms to reduce bias; and affirmatively stating and pursuing inclusive outcomes.³⁵

Tailoring the Application

Each potential Applicant for Financial Support has unique needs based on their context and background. Many recommendations aimed at making application processes for financial assistance programs more accessible entail better understanding the needs of the potential applicant and adjusting the application process to be responsive to those needs.

³⁴ <https://www.ncfp.org/wp-content/uploads/2021/04/How-To-Guide-Uncovering-Unconscious-Bias-in-Philanthropy-PEAK-2020.pdf>

³⁵ Powell, J. (2015) Implicit Bias and Its Role in Philanthropy and Grantmaking. National Committee for Responsive Philanthropy’s Quarterly Journal.

The needs of a potential Applicant for Financial Support are best assessed through open communication. Providers of Financial Support should consider ways to listen to potential applicant needs, trust the applicant, and be flexible in accommodating those needs.³⁶ This includes being aware of and responsive to the language and resource barriers that applicants in underserved markets face.

The Open Society Foundation *Advancing Diversity* guide stresses the importance of applying principles of language justice to the application process in order to make applications accessible to non-English speakers. The authors note: “Language justice refers to the right of every individual to communicate in the language they find most comfortable and in the method or style that makes them most comfortable for presenting themselves and their work.”³⁷ The guide recommends funders consider accepting proposals in a different language or form (e.g., audio, visual, etc.), explaining at the outset what is required of the applicant, and providing translations for all necessary materials. The Inter-American Foundation, a US government agency that invests in community-led development across Latin America and the Caribbean, has embraced language accessibility in their application process. Given the international focus of the funded projects, the organization allows applications to be submitted in Spanish, Portuguese, English, French, or Haitian Creole.³⁸

Providers of Financial Support could also be flexible in their consideration of other accommodations, depending on the needs of potential applicants. Given the global, grassroots-focus of many Ford Foundation initiatives, for example, the organization implemented new practices to make their grantmaking system more accessible to all, including people with disabilities and people without Internet access. With these changes, program teams are able to:

- Provide proposal and report forms in alternative formats, including accessible formats for people with disabilities.
- Accept proposals and reports in alternative formats, including audio and Word documents.
- Incorporate additional support for translation services or proposal assistance.
- Build in additional time or financial resources for organizations or individuals who may need additional accommodations.³⁹

In addition to these changes, the Ford Foundation encourages grant-seekers to reach out to the programs team if they need additional assistance or accommodation.

According to our exploration of similar global programs, the application processes can be streamlined to be less burdensome for those applicants with fewer resources (i.e., people and time) to commit to the application. To do so, the Trust-Based Philanthropy Project

³⁶ https://static1.squarespace.com/static/607452f8ad01dc4dd54fc41f/t/61606874440b79448fb082c3/1633708148997/TBP+in+4D_Oct2021.pdf

³⁷ <https://www.opensocietyfoundations.org/publications/advancing-diversity-equity-and-inclusion-in-grant-making>

³⁸ Application eligibility criteria: <https://www.iaf.gov/apply-for-grant/#eligibility>

³⁹ Ford Foundation Stories:

<https://www.fordfoundation.org/news-and-stories/stories/posts/we-are-always-working-to-improve-our-grant-making-process-and-to-make-sure-our-systems-are-efficient-easy-to-use-and-accessible-to-eve-ryone/>

encourages simplifying paperwork by: (1) accepting proposals and reports written for other funders or (2) using a screening process before inviting a full application (e.g., an LOI) to limit the time an applicant must commit to the application if they will not be considered for further review.⁴⁰ Similarly, Chan and Fischer recommend streamlining the application process by making applications short and concise, eliminating duplicative questions, and asking for any attachments after selection. They also recommend clarifying the application process by using lay language, eliminating word count limits, and allowing organizations to submit budgets in existing formats along with a narrative to explain their financial circumstances. A detailed list of these recommendations and an example of how the Robert Wood Johnson Foundation has streamlined their application process can be found in [Appendix E](#).

Application Support

Research suggests that offering support during the application process is another way to increase accessibility of the application. Providing support can help to level the playing field for potential Applicants for Financial Support with fewer resources or less experience applying for financial assistance programs. Vu Le, author of the blog Nonprofit AF, states that Providers of Financial Support should “help [applicant] organizations make their case. Give feedback and provide support, especially for stuff [the Provider of Financial Support] require[s].”⁴¹ While some might argue that support during an application process offers an unfair advantage to some applicants, Le counters that this support is the only way to overcome decades of injustices that have led to an inequity of resources between organizations. These additional supports, he argues, are a way to “focus more attention” on previously overlooked organizations and communities—like “communities of color, and LGBTQ, disabled, and rural communities.”

Application support can take many forms and can target various components of the application. Le, along with the *Advancing Diversity* guide and the Trust-Based Philanthropy Project, recommend that Providers of Financial Support make themselves available to answer questions during the application process. Similarly, Chan and Fischer recommend holding optional informational session calls to answer questions, clarify processes, and demystify the grant-making selection process and timeline. These informational sessions can go beyond the application to explain key grant-making terms and processes (e.g., the difference between an LOI and a grant application, the difference between an output and outcome, and the definition of a logic model). Application support can also take the form of technical assistance as Providers of Financial Support can facilitate access to language and cultural translations along with financial experts to assist with budgeting and projections.

Chan and Fischer also recommend hands-on support to increase application accessibility. They recommend that Providers of Financial Support offer to review drafts of applications before the deadline and make examples of successful applications available to potential applicants during the application process. Financial aid programs in higher

⁴⁰ 6 Practices of Trust-Based Grantmaking here: <https://www.trustbasedphilanthropy.org/>

⁴¹ See blog for more information <https://nonprofitaf.com/2015/08/funders-your-grant-application-process-may-be-perpetuating-inequity/>

education have also adopted hands-on support strategies to increase applications for financial assistance. These programs have implemented live chats to answer questions throughout the application process, text nudges to remind potential applicants to complete their applications,⁴² and one-on-one coaching to better understand the unique motivations of the individual applicant.⁴³

4.3 Applicant Capacity

Applicant capacity is another key factor that impacts the shape of the applicant pool for current—and future—rounds of financial assistance programs. Capacity has been defined in various ways and understandings of the term have shifted over time. One of the most widely used definitions of capacity today is that set forth by the United Nations Development Program (UNDP), referring to “the ability of individuals, organizations or systems to perform appropriate functions effectively, efficiently and sustainably.”⁴⁴ Most understandings of capacity encompass the overarching areas of human, organizational, structural, and material capacity, including factors such as strategic ability, financial health, staff capacity and expertise, legal compliance, and IT operations and infrastructure.⁴⁵

Applicant capacity can limit the size of an applicant pool by presenting a barrier to application and selection in an application process. Application processes require that applicants possess certain capacities (e.g., skills, knowledge, financial and nonfinancial resources) to complete the application successfully and are often structured to select and reward those applicants whose capacities are most developed. This disproportionately affects applicants with less developed capacity in key areas, particularly those from underserved markets.

Analysis of similar global programs suggests that Providers of Financial Support could consider facilitating capacity development for potential applicants prior to application.⁴⁶ This support can promote inclusion of applicants from underserved markets and those with a demonstrated financial need. The UN Development Program (UNDP) and the Organization for Economic Co-operation and Development define capacity development as “the process by which individuals, groups, organizations, institutions and societies increase their abilities to:

1. Perform core functions, solve problems, define and achieve objectives, and

⁴² Page, L. C., Castleman, B. L., & Meyer, K. (2020). Customized Nudging to Improve FAFSA Completion and Income Verification. *Educational Evaluation and Policy Analysis*, 42(1), 3–21.

<https://doi.org/10.3102/0162373719876916>

⁴³ Herbaut, Estelle, and Koen Geven. "What works to reduce inequalities in higher education? A systematic review of the (quasi-) experimental literature on outreach and financial aid." *Research in Social Stratification and Mobility* 65 (2020): 100442.

⁴⁴ Milèn, A. (2001). What do we know about capacity building? An overview of existing knowledge and good practice. Geneva, World Health Organization.

⁴⁵ More refined elements of capacity vary by organization. The Stanford Center for Philanthropy and Civil Society (Stanford PACS), for example, includes 14 key elements of organizational capacity and the Venture Philanthropy Partners/McKinsey & Company Capacity Framework outlines seven essential elements.

⁴⁶ This paper uses the term *capacity development* instead of *capacity building* to emphasize the understanding that organizations have existing capacities that can be strengthened and further developed from the inside in partnership with funding organizations. For more information about the differences, see: [UNDP Approach to Supporting Capacity Development FAQs](#)

2. Understand and deal with their development needs in a broad context and in a sustainable manner.⁴⁷

Providers of Financial Support have begun to adopt strategies of capacity development for potential Applicants for Financial Support to make their funding efforts more inclusive and to help their organizations reach long-term strategy and social impact goals.⁴⁸ To do so, Providers of Financial Support have engaged in capacity development directly or have facilitated access to capacity development resources for their potential, current, and past grantees. The goal of these efforts is to prepare a more diverse pool of potential applicants with the capacities necessary to complete the application, be successful during the application selection process, and equip them with the skills necessary to ensure their ongoing success.

Capacity development efforts and interventions can vary greatly. These efforts tend to be loosely built upon various theories, frameworks, and models that explain the process of learning and the dissemination of knowledge (e.g., Diffusion of Innovations Theory, Transformational Learning Theory, Bloom's Taxonomy of Learning).⁴⁹ Despite differences in their foundational theories, capacity development efforts tend to mirror the five-step model employed by the UNDP, which includes:

1. Engaging the stakeholder on capacity development.
2. Assessing capacity assets and needs.⁵⁰
3. Formulating a response.
4. Implementing that capacity development response.
5. Evaluating capacity development.⁵¹

Capacity development interventions span a broad spectrum. The most common interventions include a mix of efforts that involve training, technical assistance, and pipeline preparation. This section offers an overview of these efforts.

Training

Training is a common capacity development strategy that can include the provision of fact sheets, in-person or online workshops, courses, webinars, and/or conference sessions. The goal of training is focused on helping organizations learn specific skills that they can use to improve organizational function and program implementation. Training can also be used to help potential Applicants for Financial Support develop the skills and capacities needed to complete a program application that meets minimum requirements.

⁴⁷ Milèn, A. (2001). What do we know about capacity building? An overview of existing knowledge and good practice. Geneva, World Health Organization.

⁴⁸ The Stanford Center on Philanthropy and Civil Society's *Integrating Capacity and Strategy* handbook

⁴⁹ [Bergeron K, Abdi S, DeCorby K, Mensah G, Rempel B, Manson H. Theories, models and frameworks used in capacity building interventions relevant to public health: a systematic review. BMC Public Health. 2017 Nov 28;17\(1\):914. doi: 10.1186/s12889-017-4919-y. PMID: 29183296; PMCID: PMC5706342.](#)

⁵⁰ There are numerous ways to assess organizational capacity. For an overview of the various organizational assessment tools available see:

<https://hewlett.org/wp-content/uploads/2017/11/A-Guide-to-Using-OCA-Tools.pdf>

⁵¹ https://www.undp.org/sites/g/files/zskqke326/files/publications/CDG_PrimerReport_final_web.pdf

Training can be led by Provider of Financial Support staff or facilitated by external experts contracted by the Provider organization. Providers of Financial Support can offer training directly on their website, make training available on various learning platforms, or facilitate access to training through resource libraries made available to potential, current, and past grantees. Providers of Financial Support commonly offer a mix of training options to the public.

Evaluation of training programs and workshops indicates that their one-off nature limits long-term impact on organizational capacity. Nonetheless, training has been found to be effective in promoting short-term skill uptake such as learning the skills needed to complete an application in the following months. Best practices recommend trainings be led by facilitators who have extensive experience in the chosen field and that trainings include formal curriculum, be based in adult learning principles, offer tools that participants can implement in their organizations, and, when possible, offer more than one-time sessions.⁵²

Examples of how training is implemented by Providers of Financial Support for capacity development can be found in [Appendix F](#).

Technical Assistance

Technical assistance is another effort commonly implemented to help Applicants for Financial Support develop capacity. According to the Center for Nonprofit Resources, technical assistance is “broadly defined as support to help nonprofits acquire any specialized service or skill that is not currently resident within the organization, but which it may need in order to operate more effectively or strengthen sustainability.”⁵³ Technical assistance can be focused on a wide array of organizational capacity areas (e.g., grant writing, project planning, etc.) and involves consultation, coaching, or mentoring by a specialist, consultant, or trainer. This can take place in one-on-one sessions or small groups.

Through the process of technical assistance, an expert helps the organization further strengthen an identified weakness in its capacity. In this way, technical assistance can help organizations overcome capacity barriers they may face in the application process (e.g., assistance with grant writing, financial projections, project planning). Technical assistance can be facilitated by a Provider of Financial Support through the establishment of a separate technical assistance grant competition, directly by the organization itself (i.e., program staff offer feedback to potential applicants), or through a connection to other technical assistance resources.

Technical assistance grants offer Applicants for Financial Support the ability to offset the costs for technical assistance. The scope and size of these grants varies by program, but they tend to be limited to certain acceptable projects that relate directly to capacity development efforts. The US Department of the Treasury’s Community Development

⁵² [Clausen, C. Capacity Building for Organizational Effectiveness.](#)

⁵³ See *What is Technical Assistance*: <https://c4npr.org/getting-help/what-is-technical-assistance/>

Financial Institutions Fund, for example, offers grants of up to US\$125,000 for capacity development. These grants offer current and emerging Community Development Financial Institutions the ability to “purchase equipment, hire consulting or contracting services, pay salaries and benefits, or train staff or board members.”⁵⁴

Providers of Financial Support also can connect potential Applicants for Financial Support with technical assistance providers during the application process. This can be done by contracting with a provider to support the capacity development needs of potential Applicants for Financial Support or by brokering a connection between applicants and technical assistance providers. Providers of Financial Support can provide a directory of technical assistance resources that can assist applicants in key capacity development areas. As an example, the Better Together Fund has created a [webpage](#) that provides potential applicants with a list of approved consultants along with relevant information related to their qualifications. In some cases, special rates can be negotiated by the Provider of Financial Support. For more examples, see [Appendix F](#).

To maximize effectiveness, technical assistance services should be offered on an ongoing basis, rather than provided as a one-time event. Ongoing technical assistance promotes learning and reinforces the uptake of new skills. Technical assistance facilitators should have expertise in the subject area, good group observation and skills, flexibility to respond to evolving participant needs, and interpersonal skills to foster trust in relationships.⁵⁵

Pipeline Preparation

A more comprehensive approach to capacity development for potential Applicants for Financial Support involves pipeline preparation. In this approach, Providers of Financial Support may *require* potential applicants to participate or engage with various capacity development resources to be eligible for consideration in their financial assistance program. The requirements and demands of the pipeline can vary across a broad spectrum, ranging from required participation in a one-off training session to participation in a separate and distinct cohort-based program.

Pipeline preparation helps potential applicants overcome the capacity-related barriers they may face in the application process through a mix of training, technical assistance, mentoring, and peer support. These efforts can widen and deepen the applicant pool for current or future rounds of the application process. Moreover, these programs help to reduce the burden placed on Providers of Financial Support by limiting the number of applications in each round and ensuring that each applicant has the assistance they need to submit an application that meets program requirements.

Less comprehensive capacity development pipeline approaches require one-time training or mentoring prior to application submission. Moderately comprehensive pipeline approaches may require close engagement with a technical assistance provider to oversee the

⁵⁴ See [CDFI Fund Fact Sheet](#)

⁵⁵ Christopher, D., Guinosso, S., Lauer, P., Wright, T., and Foster, C. (2014). The effective delivery of technical assistance: A toolkit based on research and best practice. Scotts Valley, CA: ETR.

development of the potential applicant’s application. A more comprehensive approach to pipeline programs includes the development of a distinct capacity development program, like a cohort-based pipeline program.

In more comprehensive programs, Applicants for Financial Support are selected as a cohort to progress through a number of training sessions. They are connected to technical assistance providers, engage in peer-to-peer discussions, and participate in one-on-one coaching sessions. This type of program provides the funding, training, and network connections that help applicants develop in key capacity areas to be competitive for selection in future grant competitions. Potential Applicants for Financial Support are only eligible to submit an application after successful completion of the cohort-based pipeline program. For a more detailed example of this type of program, see the Transforming LA example in [Appendix F](#).

As mentioned, the pipeline preparation approach offers benefits to both the potential Applicant for Financial Support and the Provider of Financial Support. Through pipeline preparation, potential applicants, particularly those with less developed organizational capacities, are provided the comprehensive support necessary to develop capacities in key areas for successful completion of the application and in some cases longer-term organizational sustainability. Required training and technical assistance also works to limit the number of less developed applications received by the Provider of Financial Support, thereby decreasing the burden placed on Providers in any given round.

General Recommendations for Capacity Development

Given the nature of capacity development, it is difficult to attribute impact to any particular component of capacity development efforts.⁵⁶ Despite these challenges, various evaluations have pinpointed key factors and offered recommendations that can help make capacity development programs more effective. After a review of the literature on capacity development efforts, the United Way of Calgary and Area⁵⁷ provided a list of factors they found to be key to success and should be considered when implementing capacity development efforts for financial assistance programs. Specifically, the report outlines that successful capacity development efforts should be:

- Timely and taken at an appropriate pace (neither too slowly nor too quickly).
- Peer-connected, allowing the opportunity for peer-to-peer networking, mentoring, and information sharing.
- Assessment-based to consider the needs and assets of the support-seeking organization.
- Customized and in-depth to promote the connection of learning to sustainability.
- Comprehensive, including tools and resources that individuals can implement in their organizations (incorporating follow-up activities to continue learning).

⁵⁶ [“Effective Capacity Building in Nonprofit Organizations” Prepared by Venture Philanthropy Partners and McKinsey and Company](#)

⁵⁷ See [Capacity Building for Organizational Effectiveness](#)

- Competence-based or led by well-trained providers that incorporate well-established best practices.

5 Determining Applicant Eligibility

Eligibility criteria shape the assessment of applications and ultimately determine who receives financial support. A clear set of eligibility criteria is an important component of a competitive application process. Best practice guidance suggests that criteria should align with the overall objectives of the program to ensure that applicants can be evaluated in relation to the main scope and goals set forth by the Provider of Financial Support.⁵⁸ Criteria should be clearly written to minimize ambiguities and should only include those criteria that are strongly relevant to the decision-making process for the program.

In the 2012 round of the New gTLD Program, the high-level eligibility criteria for the Applicant Support Program included public interest benefit, financial need, and financial capability. Final Report recommendations suggested continued use of these high-level criteria to determine ASP eligibility in future rounds but suggested that ICANN org explore globally recognized procedures for ways to improve evaluation based on these criteria. This section provides a summary of how other Providers of Financial Support define similar eligibility criteria, paying particular attention to the criterion elements or probes used to determine eligibility, and how similar programs assess Applicants for Financial Support in these established areas. ICANN org notes that information related to evaluation and assessment of Applicants for Financial Support is limited due to the proprietary nature of organizational evaluation processes, including evaluation matrices. As a result, this section synthesizes information that has been published in program materials, best practice guidance, and existing research. A summary of findings can be found in Table 3.

Table 3. Eligibility Criteria: Summary of Findings⁵⁹

Eligibility Criteria	Summary of Research	How might this be explored in the ASP?	Program Examples
Public Interest Benefit	<ul style="list-style-type: none"> • The definition of the public interest criterion should align with the overall goals, objectives, and scope of the financial assistance program. • Public interest is commonly defined by (a) the impact of the applicant or (b) 	<ul style="list-style-type: none"> • Consider ways to define eligibility criteria of public interest benefit in alignment with the overall objectives of the ASP or other ICANN initiatives, e.g., the Global Public Interest Framework (GPIF). • Consider ways to streamline the 	World Bank Group Multilateral Investment Guarantee Agency (MIGA) offers a Small Investments Program that targets small enterprises as a public interest

⁵⁸ European Peer Review Guide (pg. 28)

https://repository.fteval.at/148/1/2011_European%20Peer%20Review%20Guide.pdf

⁵⁹ The information presented in this table is intended to enable further exploration in the development of the Applicant Support Program and is not intended to represent specific advice, plans, or commitments.

Eligibility Criteria	Summary of Research	How might this be explored in the ASP?	Program Examples
	<p>applicant characteristics.</p> <ul style="list-style-type: none"> Public interest benefit defined as impact of the applicant’s project can be probed through a written narrative and scored using a clearly defined rubric. Public interest benefit defined by applicant characteristics can be probed by clearly defining target groups that align with the overall goals of the program. Assessment of applicants using this definition includes submission of proof that an Applicant for Financial Support belongs to a target group. 	<p>process of evaluating public interest benefit by asking applicants to submit a narrative describing their public interest benefit or proof that they belong to an identified target group.</p>	<p>benefit, see Appendix G.</p>
Financial Need	<ul style="list-style-type: none"> Financial need criteria are commonly defined as experiencing (a) a shortfall in actual resources and (b) limited potential to access financial resources. When measuring shortfall in actual resources, it is recommended to establish a simple method or set a normalized threshold to determine financial need. When examining limited potential to access 	<ul style="list-style-type: none"> Consider sharing the method or threshold for determining financial need when assessing actual financial shortfall to promote transparency. Similarly, consider sharing a list of underserved markets that may experience limited potential to access financial resources. Explore the potential to streamline the determination of financial need by evaluating for either a shortfall in actual resources or limited 	<p>The World Bank and IMF set clear, established thresholds based on per capita GNI for determining financial need, see Appendix H for more information.</p>

Eligibility Criteria	Summary of Research	How might this be explored in the ASP?	Program Examples
	<p>resources, Providers of Financial Support should identify underserved markets that may have limited access to financial resources. This list should consider the context of the program when defining target markets.</p>	<p>potential to access financial resources.</p>	
Financial Capability	<ul style="list-style-type: none"> Financial capability is both backward- and forward-facing, assessing past performance and current capacities to determine future success. Financial capability can be determined through a financial due diligence process that includes auditing financial statements or, in the case of applicants considered a startup organization, asking for a business plan. Philanthropic organizations probe for both quantitative and qualitative aspects of financial capability to make the process more equitable. Financial capability can also be determined by past performance, including success implementing similar projects. 	<ul style="list-style-type: none"> Consider the possibility of asking for qualitative data in addition to quantitative data, such as financial audits, to make the application more equitable for potential applicants from underserved markets. Explore how to use other organizational capacity areas in addition to finances to determine capability (e.g., financial health, governance, vision, and human resources). Consider aligning program risk tolerance with the goals of the ASP to ensure worldwide accessibility to, and competition within, the New gTLD Program. 	<p>Examples of financial due diligence that include qualitative components can be found in Appendix I.</p>

Eligibility Criteria	Summary of Research	How might this be explored in the ASP?	Program Examples
	<ul style="list-style-type: none"> Providers of Financial Support should re-evaluate their risk tolerance to promote more inclusive and equitable funding. 		

5.1 Public Interest Benefit

Public interest benefit is a broad term that can be defined in many ways. Generally speaking, public interest can be defined as anything that is beneficial for or in the interest of the welfare and wellbeing of the public and/or society as a whole. During the 2012 round of the New gTLD Program, the ASP defined public interest in a way that embraced the broad nature of the term, encompassing “those projects that would offer demonstrable benefit to the public or suitable community group, including support for distinct cultural, linguistic or ethnic communities, as well as communities with a defined social need.”⁶⁰

Research suggests that similar global financial assistance programs define the public interest criterion (or similar criterion, such as broader impact, significance, and importance) around the objectives of the program itself or the overall mission of the organization. The definition of public interest can include a specific societal problem or social goal to be targeted. For example, a financial assistance program with the objective of promoting poverty reduction would commonly define public interest benefit as anything which is beneficial for or in the interest of poverty reduction.

Public interest benefit can also be tied to an internationally agreed upon set of goals. A common example of such goals includes the U.N. Sustainable Development Goals (SDGs).⁶¹ The World Bank, for example, has established the Sustainability Bond Guidelines and the Environmental and Social Framework to ensure that its investments promote the public interest by aligning with SDGs and the World Bank Goals.⁶²

Criterion Elements

Globally recognized procedures for financial assistance programs that include public interest benefit as an eligibility criterion tend to query (a) the impact of the applicant’s project or (b) specific applicant characteristics to determine public interest benefit. These programs clearly define for potential applicants which component they are investigating and tie criterion elements and evaluation to the specifics of that component.

Programs that use eligibility criterion elements that examine the impact of a project are common within the fields of philanthropy, international development, and academia. In these

⁶⁰ See Candidate Eligibility and Criteria in the Financial Assistance Handbook:

https://newgtlds.icann.org/sites/default/files/financial-assistance-handbook-11jan12-en_0.pdf

⁶¹ For a list of the Sustainable Development Goals, see the U.N. website <https://sdgs.un.org/goals>

⁶² The World Bank has two goals: end extreme poverty and promote shared prosperity in a sustainable way.

programs, the public interest criterion is focused on the potential impact of the applicant's project or its objectives. In these cases, Providers of Financial Support ask whether the impact of the applicant's project is in alignment with the goals of the overall program, mission of the supporting organization, or established guidelines for public interest benefit. An example from the National Science Foundation can be found in [Appendix G](#).

Programs that frame public interest benefit around applicant characteristics are also common in many fields. These programs target support to applicants with specific characteristics that are clearly established (e.g., specific types of organizations, communities, or sectors). Identified target groups are those whose funding has been determined to promote or benefit the public interest. Research suggests that targeted groups should be established after consideration of the objectives of the larger program, the context of the field, and/or the mission of the organization.

The International Monetary Fund report, *Solvency Support for Enterprises: Key Considerations and Preliminary Lessons from European Programs*, outlines recommendations for financial assistance programs that support businesses in Europe impacted by the Covid-19 pandemic.⁶³ The report notes that European support schemes should be targeted at specific sectors or organizations that can help accomplish "common interest" goals. These include (1) avoiding excessive bankruptcies of viable enterprises, (2) avoiding the exit of strategic, systemically important firms, and (3) supporting companies or sectors that have important network effects (for example, important firms in the supply chain). Consistent with these recommendations, the German support scheme targets assistance to companies whose failure "would trigger a significant loss of employment, threaten technological sovereignty, or cause substantial disruptions."

In various programs, the World Bank Group also targets specific groups and sectors that align with its strategy and SDGs as a way to benefit the public interest. These groups include those that have been largely excluded from access to finance, including developing countries; micro, small, and medium enterprises (MSMEs); and women-owned enterprises. Similarly, the World Bank Group's International Finance Corporation (IFC) targets MSMEs, women-owned enterprises, and climate finance. The IFC provides specific definitions of these targeted sectors for reference (e.g., the organization defines "a women-owned enterprise" as an enterprise that is owned by 51% or more by women OR 20% or more owned by women AND has at least one woman as a CEO/COO/President/Vice President AND has 30% or more of the board of directors composed of women, where a board exists).⁶⁴ Other examples can be found in [Appendix G](#).

Common groups targeted for public interest benefit include those groups considered to be underrepresented, vulnerable, and/or marginalized. This can be specific to a certain field (e.g., women and minorities in STEM education) or more broadly defined as a marginalized or vulnerable group globally (e.g., groups targeted by the U.N. include the Global South, women, ethnic and linguistic minorities, indigenous communities, youth, and migrants).

⁶³ [Solvency Support for Enterprises: Key Considerations and Preliminary Lessons from European Programs](#)

⁶⁴ See: https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definitions+of+targeted+sectors

While less common, programs that probe both impact and applicant characteristics tend to focus on one specific target area based on program objectives. For example, if the program objective is to promote equity, the Provider of Financial Support may seek to fund organizations whose project has the potential to impact equity and give priority to applicants with specific characteristics that are underrepresented in the field (e.g., organizations led by women or people of color).

Evaluating Public Interest

Evaluating applications for public interest benefit should be streamlined and straightforward. When public interest is framed as impact, applications commonly ask applicants for a narrative description of the potential impact their work will have in the defined public interest area (e.g., “Describe how your project will contribute to poverty reduction.”). When framed as impact, evaluating public interest benefit can be difficult because of the subjective nature of evaluating narratives. In these cases, it is important for Providers of Financial Support to establish a clear rubric to be used by review panels in applicant evaluation. This rubric can assess an applicant’s narrative description of the project, intended outcomes, rationale and significance of the work, creativity or innovation, potential for collaboration, and feasibility.

Evaluation of public interest benefit when targeting specific applicant characteristics involves asking the applicant for documented proof that they meet established definitions for the target group. The United States African Development Foundation, for example, seeks to create pathways to prosperity for marginalized populations and communities across Africa by investing directly in African grassroots enterprises and social entrepreneurs. One key eligibility criterion for their grants is that applicants be private companies that are 100% African-owned and managed. To determine eligibility, applicants must submit the passports or government-issued IDs of all owners and senior managers of the organization.

5.2 Financial Need

During the 2012 round of the New gTLD Program, ICANN org sought to support those entities that demonstrated financial need. Applicants experiencing financial need were defined as “those entities that lack sufficient financial resources to pay for application fees or otherwise execute their projects, or who would not be able to raise those resources through other means.”⁶⁵ Research suggests that this is consistent with similar financial assistance programs. Most programs employ definitions of financial need that focus on a shortfall of actual financial resources and/or a limited potential to access financial resources in the future.

Criterion Elements

Consistent with commonly used definitions, financial assistance programs frequently determine financial need through (1) an applicant’s current financial situation and (2) an applicant’s potential to access financial resources in the future.

Assessing the current financial situation of an Applicant for Financial Support involves understanding an applicant’s financial resources. Current financial situation can be determined by asking applicants for recent financial statements (audited, if available), yearly

⁶⁵ <https://archive.icann.org/en/topics/new-gtlds/draft-applicant-support-criteria-10dec11-en.pdf>

budgets (with year-to-date numbers), balance sheets, or, in the case of start-up businesses, Providers of Financial Support may ask for a business plan. In general, Providers of Financial Support require applicants to submit information from the last one-to-three fiscal years or a business plan that includes financial projections for the next one-to-three years in the future. Best practice recommends determining financial need using a simple and straightforward method, such as a formula or establishing a threshold.⁶⁶ Examples of programs that establish a threshold for determining financial need can be found in [Appendix H](#).

When an applicant's potential to access financial resources is used to determine financial need, Providers of Financial Support seek to identify and target underserved markets. Underserved markets include those where applicants may have difficulty securing future funding due to certain organizational characteristics and/or operating environments. Research suggests that Providers of Financial Support should establish and publish who might qualify as operating in an underserved market prior to opening the application submission period.

Underserved markets commonly include those where applicants operate in geographic areas where there may be fewer funding opportunities, i.e., in a developing country or in rural areas. Underserved markets may also include organizational characteristics that can limit an applicant's funding network, such as women or ethnic/minority-led organizations, which tend to be under-resourced due to limited networks. Industry sectors and organization types that have limited access to revenue can also be considered an underserved market (e.g., nonprofit organizations and MSMEs).

When targeting specific underserved markets, research suggests the importance of establishing clear, standardized definitions that consider an organization's operating context. Because their size often results in having fewer resources and can lead to various difficulties in securing funding, MSMEs are commonly targeted by financial assistance programs as an underserved market. Providers of Financial Support use different definitions for categorizing MSMEs, but most revolve around number of employees, assets, and revenue or turnover. The use of any single cutoff point in defining MSMEs or SMEs in multiple countries that are in diverse stages of economic development can lead to bias, however. Defining MSMEs or SMEs by number of employees, for example, can overlook the reality that many organizations classify workers differently in various regulatory environments (e.g., as part-time employees, consultants, students), particularly to avoid taxes. Defining SMEs by assets can also be skewed. Organizations rarely have a precise estimate of the value of their fixed assets and in some regulatory environments can minimize the size of their assets to avoid taxes.

Further, in some sectors, fixed assets are becoming less important as technology has made work more efficient. In their Brookings Global Economy and Development Report, Gibson and van der Vaart offer a definition of SMEs based on annual turnover that takes operational context into consideration.⁶⁷ When targeting SMEs, the authors argue that a funder should

⁶⁶ See [Exploring Ways to Enhance FAFSA Efficiency](#)

⁶⁷ [Gibson and van der Vaart \(2008\) *Defining SMEs: A Less Imperfect Way of Defining Small and Medium Enterprises in Developing Countries*](#)

target those formal enterprises with annual turnover, in U.S. dollar terms, of between 10 and 1,000 times the mean per capita gross national income, at purchasing power parity, of the country in which it operates. This formula works to normalize the definition across contexts.

Evaluating Financial Need

The Urban Institute recommends that determination of financial need be as predictable as possible. Research suggests that assessment of financial need should also consider the specifics of the field, the sector, and the location of applicant operation. Best practice guidance for equitable financial assistance in the field of education recommends not only determining financial need as a threshold, but ranking applicants based on their level of need to ensure that those who experience greater need are receiving the assistance they require.⁶⁸

5.3 Financial Capability

The third and final eligibility criterion used in the Applicant Support Program for the 2012 round of the New gTLD program was financial capability. The ASP used financial capability as a criterion to “ensure those receiving funds will be able to manage those funds and execute projects if successful.”⁶⁹ Research suggests that financial capability and criteria such as financial capacity, financial soundness, or financial viability, are common eligibility criteria in financial assistance programs. These criteria tend to be just one component of a larger due diligence process used to evaluate organizational capacity by similar financial assistance programs.

Criterion Elements

Financial capability criteria are both backward- and forward-facing, assessing an applicant's past performance and current capacities to forecast an applicant's future success.

Similar programs examine financial capacity through financial due diligence. This includes auditing an applicant's financial statements to ensure that there are no irregularities and that the company is on solid financial footing. IMF methodology for analyzing financial viability or capacity of nonfinancial corporations includes consideration of debt-to-equity ratio, return on equity, profitability of assets and business profitability, interest coverage ratio, currency positions, and the number of applications for relief from creditors.⁷⁰ The *IMF Solvency Support for Enterprises* also notes that funders should consider an applicant's business plan. The guide suggests that this type of forward-looking analysis for viability should focus on a one to three-year horizon.

It is common practice in philanthropy to consider both quantitative and qualitative indicators in determining financial capacity. This qualitative component allows for an understanding of the applicant's situation and their plan to overcome any financial challenges they may face. The Grantmakers for Effective Organizations Due Diligence Tool argues that this information should be factored into the determination of financial capability to make the process more

⁶⁸ Ibid.

⁶⁹ <https://archive.icann.org/en/topics/new-gtlds/draft-applicant-support-criteria-10dec11-en.pdf>

⁷⁰ See page 89 of IMF publication *Financial Soundness Indicators: Compilation Guide*

equitable for those Applicants for Financial Support with fewer resources.⁷¹ For more information regarding the financial due diligence process in philanthropy, see [Appendix I](#).

To determine financial capability, Providers of Financial Support can also gauge the strength of other organizational capacities as part of their effort to forecast future success. The Due Diligence Tool offers seven organizational capacity areas to explore as part of the due diligence process, along with examples of materials to be solicited for funder review. A summary of these capacity areas can be found in Table 4.

Table 4. Organizational Capacity Areas

Capacity Area	Applicant Materials
Proposed project	<ul style="list-style-type: none"> • Narrative proposal • Strategic plan or business plan showing how resources will be used to achieve organizational and program goals.
Financial health	<ul style="list-style-type: none"> • Project-specific documents: <ul style="list-style-type: none"> ○ proposed budget ○ a list of all anticipated project funding (committed, secured, pending) • Organizational documents: <ul style="list-style-type: none"> ○ organization-wide budget ○ financial reports ○ annual financial statements ○ balance sheets and income statements ○ budget for current fiscal year
Organizational history and track record	<ul style="list-style-type: none"> • General organization documents, including annual reports, grant reports, newspaper clippings
Governance and Executive Leadership	<ul style="list-style-type: none"> • Board members list • Executive Director resume • List of other management staff with brief biographical information
Vision and Strategy	<ul style="list-style-type: none"> • Most current strategic plan • Other materials related to strategy or strategy development efforts
Human Resources	<ul style="list-style-type: none"> • Organizational chart • Job descriptions for each staff position • Resumes of key staff
External Communications and Relationships	<ul style="list-style-type: none"> • Marketing/PR packet, including materials such as brochures and newsletters

⁷¹ For more information see the Grantmakers for Effective Organizations [Due Diligence Tool](#)

	<ul style="list-style-type: none"> • Communications plan, if available
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There are other tools that Providers of Financial Support can employ to assess organizational capacity. Informing Change and the William and Flora Hewlett Foundation's Effective Philanthropy Group have compiled a database of organizational assessment tools⁷² along with a reference guide to understand which tools to use for specific intended purposes.⁷³ Many organizational assessment tools can be administered by the Applicant for Financial Support and submitted as part of the application process. These assessments can be accompanied by a narrative and plan for growth in areas that are less developed, as recommended in the Integrating Capacity and Strategy handbook.⁷⁴

As mentioned, past performance is another criterion element commonly used in philanthropy and international development to determine capability or capacity. In order to determine past performance, a Provider of Financial Support can ask for a narrative or specific organizational documents that prove the applicant's successful implementation of a similar program. When soliciting applications for potential partners, USAID asks applicants to submit a capability statement or narrative that covers the applicant's core competencies, past performance, differentiators (how the organization is different from its competitors), and organizational information.⁷⁵ Capability statements should be evaluated based on an applicant's technical and programmatic experience, expertise, and previous success to implement an effective program. Applicants for Financial Support can also be asked to submit general organizational documentation, including annual reports, past grant reports, and newspaper clippings.⁷⁶

Evaluating Organizational Capacity

To make financial assistance programs more equitable, the evaluation of an applicant's capability and/or capacity should be unpacked and reconsidered. The assessment of criteria related to organizational capacity or capability is largely based on risk and the level of risk a Provider of Financial Support is willing to tolerate. Providers of Financial Support seek to maximize the impact of their funding by ensuring that an applicant will be successful and can return on their investment. As a result, they tend to support applicants they think pose less risk. This favors Applicants for Financial Support that are larger, have stronger organizational capacities, financial capacity, and have a track record of successful program implementation. As Chan and Fischer (2016) note in *Eliminating Implicit Bias in Grantmaking Practices*, this disproportionately impacts organizations that aim to help underserved communities because they are often under-resourced themselves and have less organizational and financial capacity than their larger, more established counterparts.⁷⁷

⁷² The database can be accessed here:

<https://www.dropbox.com/sh/uv2mtxuks9y0ibs/AABIVzWAXUZodzNswtCj4S9Da?dl=0>

⁷³ See [A Guide to Organizational Capacity Assessment Tools](#)

⁷⁴ https://paccenter.stanford.edu/publication/integrating-capacity-and-strategy-a-handbook-for-next-gen_eration-grantmakers-and-grantees/

⁷⁵ USAID [Building Strong Sub-Partnerships Training Module](#)

⁷⁶ See the [Due Diligence Tool](#)

⁷⁷ See https://ssir.org/articles/entry/eliminating_implicit_bias_in_grantmaking_practice

Despite having the greatest likelihood for failure, funding investments that present the most risk can also have the greatest potential impact because they work closely with communities in need. Providers of Financial Support can re-evaluate their risk tolerance to be more inclusive of smaller organizations and be open to changing their processes. Rather than simply ruling out applicants whose financials are less stable, for example, Chan and Fischer (2016) recommend Providers of Financial Support have follow-up conversations with applicants to learn how they plan to achieve financial stability in the future. The authors argue that this allows decision makers to gain a more comprehensive understanding of the applicant organization and provides a more holistic view when assessing their comfort level in awarding support to these applicants.

6 Evaluating Applications: Processes and Procedures for Selecting Applicants

The final step in ensuring that a financial assistance program successfully meets its goal of expanding access and diversifying its applicant field is to ensure that the application evaluation and candidate selection process is structured in a way to select the appropriate candidates. In the 2012 ASP, ICANN org convened a community-based, independent Support Application Review Panel (SARP) to evaluate applicants based on established program criteria. The SARP defined its own processes, procedures, and final reports. The SubPro Final Report supported PIRR recommendations calling for ICANN to consider applying lessons learned from implementation of other New gTLD Program evaluation panels to the SARP.⁷⁸

This section outlines practices, processes, and recommendations that Providers of Financial Support can employ to equitably and objectively evaluate applicants from diverse backgrounds, highlighting various stages of the application review process. A summary of findings can be found in Table 5.

Table 5. Evaluating Applications: Summary of Findings⁷⁹

Evaluation Area	Summary of Research	How might this be explored in the ASP?	Program Examples
Review Panels	<ul style="list-style-type: none"> Expert guidance suggests reviewers should come from diverse backgrounds and possess the appropriate skills and 	<ul style="list-style-type: none"> Explore the possibility of utilizing two review panels, one with expertise in public interest 	The Gates Foundation PRI program uses separate review panels in their evaluation

⁷⁸ https://gnso.icann.org/sites/default/files/file/field-file-attach/final-report-newgtld-subsequent-procedure_s-pdp-02feb21-en.pdf

⁷⁹ The information presented in this table is intended to enable further exploration in the development of the Applicant Support Program and is not intended to represent specific advice, plans, or commitments.

Evaluation Area	Summary of Research	How might this be explored in the ASP?	Program Examples
	<p>expertise to evaluate candidates.</p> <ul style="list-style-type: none"> Evaluation should be standardized through reviewer training, including orientation sessions and/or manuals. This training should include Diversity, Equity, and Inclusion components. 	<p>and the other with financial expertise.</p> <ul style="list-style-type: none"> Consider developing training materials for review panel members. 	<p>procedures. For more information, see Appendix J.</p>
Application Evaluation Process	<ul style="list-style-type: none"> It is common for similar programs to employ a multistage evaluation process by using a preliminary application or LOI and administrative review process to select candidates for full review. Recommendations suggest ensuring this process does not further burden the applicant. 	<ul style="list-style-type: none"> Using a multistage evaluation process to streamline evaluation of applications may reduce time and resource burdens placed on applicants. 	<p>The World Bank MIGA program uses a multistage evaluation in its application processes, asking applicants to submit a Preliminary Application before being invited to submit a Definitive Application. See Appendix K for more information.</p>
Scoring	<ul style="list-style-type: none"> In order to compare assessment of applications under evaluation, it is helpful to assign a scoring scheme to each eligibility criterion. Most evaluation matrices provide reviewers with normally comparative statements that carry a certain value. To promote interrater reliability, research suggests using a 7-point scale. Evaluation matrices can be weighted to give more 	<ul style="list-style-type: none"> Explore ways to clarify the scoring scheme used to assess applicants. Consider designing an evaluation matrix that is simple and still gives appropriate weight to important eligibility criteria. 	N/A

Evaluation Area	Summary of Research	How might this be explored in the ASP?	Program Examples
	importance to certain criteria when calculating overall score. However, weighting should be kept as simple as possible.		
Selecting Candidates	<ul style="list-style-type: none"> Similar financial assistance programs commonly rank applicants to assist in the final decision process. Applicants can be ranked together to promote vertical equity or to ensure aid is offered to those with greater demonstrated need. Applicants can also be grouped with similar applicants and ranked within this smaller grouping to promote horizontal equity. 	<ul style="list-style-type: none"> Consider clarifying program priorities to determine appropriate means of distributing available funds to qualifying applicants. 	The World Bank MIGA program offers an example of ranking applicants during the evaluation process. More information can be found in Appendix K .

Review Panels

Composition, structure, and training of the review panel are vital to ensuring that the appropriate candidates are selected for funding and the program meets its overall goals. When evaluating a diverse set of applicants, expert guidance suggests that reviewers come from similarly diverse backgrounds and have the knowledge and expertise required to adequately evaluate candidate applications. This includes possessing the skills necessary to evaluate applicants based on the eligibility criteria and the evaluation matrix established by the Provider of Financial Support.

Globally recognized procedures for financial assistance programs in philanthropy and the public sector involve utilizing evaluators that have the specified financial expertise necessary to assess the financial situations of Applicants for Financial Support. While program, community, or field-specific evaluators may have the expertise to evaluate an applicant's program quality or project impact, they may not possess the expertise necessary to conduct a financial viability assessment. As a result, it is recommended that financial assistance programs in the public sector and in philanthropy target private sector financial experts to participate as evaluators in the review panel process.⁸⁰ The Gates Foundation accomplishes this by using separate review panels in the evaluation process for its Program Related

⁸⁰ [Solvency Support for Enterprises: Key Considerations and Preliminary Lessons from European Programs](#)

Investment (PRI).⁸¹ More information regarding the Gates Foundation procedures can be found in [Appendix J](#).

Including reviewers with appropriate background knowledge extends beyond financial expertise; this knowledge should also include understanding of a program or project's community impact or public interest benefit. Recommendations for equitable grantmaking suggest creating an advisory board of current grantees and/or current applicants to vote on anonymized applications.⁸²

The Robert Wood Johnson Foundation has experimented with this type of model to include community members with community-specific expertise in their review process. In this example, a subset of applications for the Community Research for Health Equity program were sent to external reviewers after initial review. These external reviewers “included both community-engaged researchers and individuals with lived experience with the health care system, prior experience as a community-member participant in research activities, or both.”⁸³ Votes from these external reviewers were included as part of the application evaluation process.

After selection of appropriate evaluators, research suggests ensuring standardized evaluation and quality assurance through adequate preparation and training. The European Science Foundation recommendations for peer review panels suggest that member assignments be clearly described and communicated through “briefing sessions (possibly using video or teleconference), orientation sessions, emails and documentation including manuals, protocols, recommendations, and instructions.”⁸⁴ These recommendations also include Diversity, Equity, and Inclusion training to ensure reviewers are aware of implicit biases and prepared to consider the cultural, linguistic, and geographic diversity of applications.

Application Evaluation Process

Research suggests that many globally recognized financial assistance programs employ a multistage application evaluation process. This includes a screening process before full evaluation of application materials. This screening often consists of an administrative review of applications for pre-established minimum thresholds in key eligibility criteria. The administrative review process is helpful to decrease the burden on the Applicant for Financial Support and ensure the applicant does not devote scarce time and resources preparing a full application if they will not be considered for support. Further, administrative review decreases the burden on the Provider of Financial Support by narrowing the applicant pool to those applicants meeting particular thresholds for certain eligibility criteria.

⁸¹ Program Related Investments (PRIs) are investments made by philanthropic organizations to help finance revenue-generating, social-purpose projects that forward the charitable goals of the philanthropic organization. PRI investments commonly include low-interest loans.

⁸² See the Due Diligence and Grant Making Decisions section of the [EIP Checklist](#)

⁸³ See [Health Affairs](#) article

⁸⁴ See Section 4. Peer Review Methodology in [European Peer Review Guide](#)

The World Bank MIGA employs administrative review in its application process. Applicants for the MIGA must submit a preliminary application that is free, confidential, and available online as a first step in the process. The application asks for investor organization address, contact information, and for relevant investment details—including a brief description of the project, types of investment, and estimated cost. Investors and investees who are deemed eligible for a MIGA guarantee after review of the preliminary application are then invited to submit a definitive application.

In philanthropy, this preliminary review is commonly completed through review of a letter of intent (LOI). LOIs consist of a short description of the nature and overall objectives of the research or project as well as an indication of the required resources, infrastructures, budgets, and description of the proposing team. An evaluation team reviews each LOI against established minimum thresholds in specific criteria categories; candidates that meet these thresholds are then invited to submit a full application.

Fischer and Chan's (2016) recommendations suggest that funders ensure that administrative review not be a cumbersome process that burdens the applicant. Recommendations for philanthropic funders include employing a short online screening survey that takes about 15 minutes to complete that can be sent to Applicants for Financial Support that have expressed interest. These screening surveys can ask applicants to provide a short description of the proposed project and basic organizational information. After review, successful applicants can be invited to submit a full grant application.

Scoring

In order to synthesize and compare assessment of proposals under evaluation, research suggests it is important to assign a scoring scheme to each eligibility criterion. Most evaluation matrices provide reviewers with normally comparative statements that carry a certain value. These values can be narrative (excellent, very good, good, fair, poor), numerical (numbers one through five), colors (green, yellow, and red), or alphabetical (A-E). Recommendations for the peer review process advise panel reviewers to provide a score for each criterion, substantiated by written comments. These comments should be checked to ensure usability, legibility, and tone of language before they are used for further steps.⁸⁵

Scoring scales can vary greatly by organization and program. Research examining the effect of the number of rating scale categories on levels of interrater reliability suggests that a 7-point scale is ideal for scoring. Interrater reliability increases up to a 7-point scale, beyond which there is no substantial increase in interrater reliability.⁸⁶ When considering the scale for evaluation it is also important to consider centrality bias. An odd number of scoring points for an eligibility criterion may lead to implicit bias towards the center. In order to combat this bias, funders can eliminate the midpoint number as an option for reviewers or be clear about standards for each score.

⁸⁵ Ibid

⁸⁶ Cicchetti, D. V., Shoinralter, D., and Tyrer, P. J. (1985). The Effect of Number of Rating Scale Categories on Levels of Interrater Reliability: A Monte Carlo Investigation. *Applied Psychological Measurement*, 9(1), 31–36. <https://doi.org/10.1177/014662168500900103>

Weighting also can be used to calculate scores in application evaluations. Weighting allows Providers of Financial Support to give more importance to certain criteria or criterion elements when calculating an overall score. In this weighting, a numerical value or percentage is assigned to various criteria or criterion elements based on their importance to the overall objectives of the program. Providers of Financial Support can assign weight to various criteria by starting with 100 points (100%) and then allocating a portion of this total to each of the individual criterion e.g., 30 points or 30% to criterion A, 70 points or 70% to criterion B. Within each criterion, criterion elements can also be assigned weight in a similar way. When considering weighted scoring, the European Peer Review Guide advises that funders keep the weighting system as simple as possible. Weights should be in alignment with objectives of the program and only be used to focus on the most important criteria.

Overall, it is important to make the scoring system as clear as possible to ensure reliable and consistent evaluation. The European Peer Review Guide suggests configuration control through tracking of documents and their changes to promote quality assurance.

Process for Selecting Candidates

Once applications have been scored, final award decisions can be made. Globally recognized procedures for financial assistance programs incorporate ranking and comparison of similar applicants when making a final award decision.⁸⁷ Guidance for designing financial aid programs from the Urban Institute asserts that ranking applicants for financial assistance programs promotes vertical equity by allowing those who have a greater demonstrated need to receive more funding. Applicants can also be ranked and compared to similar applicants to promote horizontal equity. Ranking for horizontal equity can include creating multiple groupings of applicants by global region or sector and ranking applicants within these groupings. An example from the World Bank MIGA for ranking applicants can be found in [Appendix K](#).

After ranking applications, the cut-off for the funding decision should be determined by the Provider of Financial Support and based on the size of the available budget.

7 Ongoing Applicant Support

Research suggests that the biggest limitations to the impact of financial assistance programs are the ongoing sustainability of applicant organizations and the failure of Applicants for Financial Support to successfully implement programs post-award.⁸⁸ Shortcomings in long-term success or ongoing sustainability of applicants are often attributed to weaknesses in capacity or lack of access to funding. To support ongoing success and sustainability of the grantee and to maximize the impact of program investments, Providers of Financial Support have turned their attention to extending support to the years following the financial assistance program. Programs aiming to provide ongoing support for the long-term sustainability of an applicant can do so by offering financial support, non-financial support, or a mix of both. While the length of time for this support can depend on resource availability and applicant needs, guidance suggests that capacity development “is ‘patient work’ that

⁸⁷ See EU Peer Review guide and EIP recommendations

⁸⁸ Stanford PACS “Integrating Capacity and Strategy” handbook

typically requires an investment of three to five years before meaningful improvements can be achieved.”⁸⁹

A summary of findings can be found in Table 6.

Table 6. Ongoing Support: Summary of Findings⁹⁰

Type of Support	Summary of Research	How might this be explored in the ASP?	Program Examples
Financial Support	<ul style="list-style-type: none"> Supported applicants may have limited access to the financial resources necessary for long-term sustainability. To combat this issue, Providers of Financial Support can provide direct or indirect additional financial assistance post-award. 	<ul style="list-style-type: none"> Explore opportunities to support the ongoing financial needs of supported applicants. 	N/A
Non-Financial Support	<ul style="list-style-type: none"> Providers of Financial Support can also provide ongoing non-financial support through technical assistance and knowledge networks to promote grantee sustainability. 	<ul style="list-style-type: none"> Identify long-term capacity needs of supported applicants and explore opportunities to support those needs through capacity building efforts. 	N/A
Mixed Support	<ul style="list-style-type: none"> It is common for Providers of Financial Support to offer a mix of financial and non-financial support to more comprehensively approach the underlying issues faced by program awardees and promote long-term sustainability. 	<ul style="list-style-type: none"> Consider opportunities for comprehensive ongoing support. 	The Ford Foundation’s BUILD program offers long-term comprehensive support. More information can be found in Appendix L .

⁸⁹ For more information regarding the Follow-On Funding Initiative see Echoing Green’s website: <https://echoinggreen.org/follow-on-funding/>

⁹⁰ The information presented in this table is intended to enable further exploration in the development of the Applicant Support Program and is not intended to represent specific advice, plans, or commitments.

Financial Support

Applicants for Financial Support from underserved markets, those that have demonstrated a financial need, or those that operate in a smaller market have less access to funding post award, a reality that may limit their potential for long-term success. These organizations may need additional financial support to ensure ongoing sustainability.

Providers of Financial Support can create separate post-award funding opportunities for past grantees from underserved markets. Echoing Green, an organization that invests in new social entrepreneurs, has noted that many of their past grantees who are working to proactively address racial and ethnic inequities along with Black, indigenous, and people of color are chronically under-resourced. To support these organizations and their leaders beyond the initial funding investment, Echoing Green has established a Follow-on Funding initiative that offers past grantees (with priority to leaders who identify as Black, indigenous, and people of color) additional financial support to ensure ongoing success.⁹¹

Providers of Financial Support can also provide indirect financial assistance to support the ongoing financial sustainability and success of the awardee. This can be done by providing access to new networks and potential funders to successful Applicants for Financial Support from underserved markets. This type of ongoing financial support is common in venture philanthropy and impact investing.⁹² In its Program Related Investments (PRIs), The Gates Foundation, for example, assists its investees in thinking about future capitalization and serves as a reference for other impact investors or more traditional capital sources.⁹³

Non-financial Support

In addition to financial struggles, supported applicants may also experience non-financial difficulties that limit their long-term sustainability. Specifically, applicants from underserved markets may experience challenges associated with various aspects of their organizational capacities. Providers of Financial Support can provide ongoing non-financial support through technical assistance and knowledge networks to facilitate capacity development and promote long-term sustainability of successful Applicants for Financial Support. This can include assessing the organizational capacity needs of the applicant and developing a plan for non-financial assistance. The assistance offered by the Provider of Financial Support post-investment may include strategic planning, marketing and communications, executive coaching, human resources development, and measurement and evaluation training.⁹⁴

In addition, Providers of Financial Support can facilitate ongoing capacity development post-award by connecting successful applicants with other stakeholders through knowledge networks to promote peer-learning. Knowledge networks bring individuals together to share resources and information; create collective strategies; and help one another strengthen skills. The Effective Institutions Platform, a program hosted by the Development Cooperation

⁹¹ For more information regarding the Follow-On Funding Initiative see Echoing Green's website: <https://echoinggreen.org/follow-on-funding/>

⁹² Venture philanthropy involves using the concepts and techniques of venture capital and business management to achieve philanthropic goals. For more information on venture philanthropy see European Venture Philanthropy Association's "[A Practical Guide to Venture Philanthropy and Social Impact Investment.](#)"

⁹³ Read more about PRI practices at The Gates Foundation here:

⁹⁴ "[A Practical Guide to Venture Philanthropy and Social Impact Investment](#)"

Directorate of the OECD, promotes peer learning in its knowledge networks through workshops, convenings, in-situ trainings, and networking opportunities.⁹⁵

Mixed Support

Providers of Financial Support can also offer a mix of financial and non-financial support to more comprehensively approach the underlying issues faced by applicants and promote long-term sustainability. The New York Foundation has adopted this approach to best support community organizing and grassroots advocacy. In addition to US\$45,000 in funds, foundation grants include access to various capacity development resources such as one-on-one coaching, pro bono legal services tailored to social change, monthly workshops that include skills-building training and coaching, up to US\$10,000 for organizational development, and funds to hire youth interns. The Ford Foundation also has engaged in this type of comprehensive support with the BUILD program. Details regarding comprehensive support through the BUILD program can be found in [Appendix L](#).

By working to ensure the ongoing sustainability and success of applicants post award, Providers of Financial Support can promote a return on their investment. Ongoing support and capacity development efforts can have a ripple effect that impacts the larger ecosystems that Applicants for Financial Support are embedded in, as supported applicants share learnings and resources with close partners and stakeholders in their networks.⁹⁶ Thus, providing ongoing support has the potential not only to promote increased impact of a financial assistance program, but also to widen and deepen the applicant pool for future application rounds.

8 Considerations for Future Implementation of an Applicant Support Program

Based on the research presented in this paper, this section offers high-level considerations that may be relevant to the context of the Applicant Support Program. This section is included to enable further exploration in the development of the Applicant Support Program and is not intended to represent specific advice, plans, or commitments.

Considerations for Expanding the Applicant Pool

To expand the applicant pool for the ASP in the next and future rounds of the New gTLD Program, ICANN org may wish to explore ways to raise awareness of the program, improve application accessibility, and engage in applicant capacity development.

To raise awareness, ICANN org may wish to expand outreach to new target groups or audiences. ICANN org can consider clarifying the specific objectives of the ASP and carefully evaluating existing processes to identify groups that have been overlooked by previous outreach efforts. Once these groups have been identified, ICANN org may wish to

⁹⁵ See <https://www.effectiveinstitutions.org/en/pillars/3>

⁹⁶ <https://www.fordfoundation.org/work/learning/program-evaluations/build-evaluation-interim-report/>

survey the needs of potential applicants in order to tailor outreach information to their unique situations, paying particular attention to language skills, knowledge base, and geographic diversity. To help potential applicants make an informed decision about applying, ICANN org may also consider ways to include information about program costs and potential benefits in the outreach plan.

To help alleviate barriers to applying, ICANN org may consider various ways to make the application process more accessible. As suggested in the best practices analyzed for this paper, this may include streamlining the application process by making the application concise and ensuring there are no duplicative questions. ICANN org may also wish to consider offering informational sessions to potential Applicants for Financial Support to provide guidance on completing the application and language assistance for potential applicants that are not native English speakers.

ICANN org may also consider exploring ways to provide capacity development support during the application process. This could be accomplished by establishing a dedicated website with a library of resources that can further assist applicants in applying to the ASP or the New gTLD Program. ICANN org may also consider ways to formally connect pro bono service providers and potential applicants during the application process. This could include a pipeline program approach that requires all applicants to attend a training session prior to application submission. As found in the research, this has the potential to build applicant capacity and help improve applicant readiness.

Considerations for Defining Eligibility Criteria

In future iterations of the ASP, ICANN org may wish to explore ways to more clearly define eligibility criteria. To promote consistency with globally recognized procedures, ICANN org may consider defining the public interest benefit criterion to be in alignment with the overall goals of the ASP or with related ICANN org initiatives.

For example, ICANN org may wish to consider using the Global Public Interest Framework as a foundation for the definition of the public interest benefit criterion. The ICANN Board identified the global public interest as one of its 2019 operational priorities and ICANN org published a discussion paper on a proposed Global Public Interest Framework in 2020. While no clear definition for public interest was established, a GPI Framework was created to demonstrate how specific recommendations, advice, and policies are in the global public interest. The framework is anchored in the ICANN Bylaws and could provide a starting point for the definition of public interest benefit for the ASP.

Similarly, ICANN org may wish to consider defining the financial need criterion more clearly by developing and sharing a method of assessment or identifying a threshold for determining financial shortfall. Defining financial need offers another opportunity for potential alignment across ICANN initiatives. For example, ICANN org could consider aligning the definition of financial need with the ICANN Grant Program. ICANN org may also consider clearly identifying underserved markets that experience a limited potential to access financial resources in the future.

In addition to clearly defining eligibility criteria, ICANN org may consider streamlining these criteria. In the 2012 round of the New gTLD Program, ASP criteria for public interest benefit and financial need probed for similar criterion elements, leading to duplication and potentially unnecessary burden on the applicant. Specifically, characteristics relating to the applicant's operational environment (e.g., operation in a developing country, operation by a nonprofit organization) were considered for both criteria. To avoid duplication and be consistent with globally recognized procedures, ICANN org may wish to consider determining public interest benefit by examining the potential impact of an applicant's project. This can be accomplished by soliciting a simple narrative response from the applicant. Likewise, financial need criterion elements can be streamlined to more simply inquire into actual financial shortfall or characteristics that limit potential to access financial resources (i.e., belonging to a previously identified underserved market).

To make the determination of financial capability more equitable and inclusive, ICANN org may wish to consider qualitative information as a complement to quantitative financial data submitted by applicants. As mentioned in the research, this offers a more holistic evaluation of an applicant's capacities. Similarly, ICANN org may wish to consider using other organizational capacity areas, in addition to finances, to determine capability. Lastly, ICANN org may wish to consider re-evaluating risk tolerance and thresholds of financial capability to be more inclusive of smaller, less-established applicants.

Considerations for Designing Application Evaluation Processes

To make the application evaluation process more inclusive, ICANN org may want to consider changes to previously established processes for application evaluation procedures, review panels, and applicant selection. Specifically, ICANN org may wish to consider using a multistage application and evaluation process that includes a short preliminary application or LOI and administrative review. ICANN org may also consider utilizing two review panels to evaluate applications: one to include reviewers with expertise in areas that facilitate evaluation of the public interest benefit criterion, the other with the expertise to evaluate the applicant's financial situation. To ensure standardized evaluation, ICANN org may wish to consider developing training materials for review panel members. These materials could include topics of diversity, equity, and inclusion to inform a more equitable evaluation.

To limit reviewer confusion and promote interrater reliability, ICANN org may consider designing clear evaluation materials and descriptive scoring schemes. ICANN org may also wish to explore ways to design the program evaluation matrix to be simple yet still allow for appropriate weight to be given to important eligibility criteria and/or criterion elements. Lastly, ICANN org may wish to consider clarifying program priorities (i.e., vertical equity or horizontal equity) to determine the most appropriate means of distributing available funds to qualified applicants.

Considerations for Ongoing Support

ICANN org may wish to explore opportunities to support the ongoing needs of ASP-supported applicants to contribute to the overall goal of fostering diversity in the DNS. This support may be particularly important for an applicant during the liminal stage between ASP application submission and gTLD delegation. During this time it is possible that an applicant may experience significant delays before they can generate revenue from their applied-for string. This support could help to ensure not only the ongoing success and sustainability of ASP-supported applicants, but the security and stability of the Internet.

As noted above, this support may be financial in nature, including a reduction in annual fees, or nonfinancial, as in the connection of applicants to technical assistance providers and knowledge networks. For more comprehensive ongoing support, ICANN org may wish to explore the possibility of offering a mix of financial and nonfinancial assistance. Based on research findings, ICANN org could consider extending this ongoing support for three years post application.

9 Conclusion

This paper has offered an overview of factors to consider in designing an Applicant Support Program that can successfully accomplish its goal of serving “the global public interest by ensuring worldwide accessibility to, and competition within, the new gTLD Program.” While the ASP is unique, there are several useful takeaways to be learned from similar programs that have been intentionally designed to promote diversity.

Supplemental reports regarding specific interventions or aid programs may be warranted once the Board has approved the community’s policy recommendations for Subsequent Rounds of the New gTLD Program and the Implementation Review Team’s work is underway. Specifically, this paper suggests that further detailed research may be useful to help answer questions such as:

- What audiences should ICANN org consider targeting as potential applicants for the ASP?
- What specific barriers might new entrants face in applying to the next round of the New gTLD Program?
- How can ICANN org best support the ongoing success and sustainability of ASP-supported applicants?
- How is the impact of similar financial assistance programs evaluated?

Appendix A. ASP Background

This appendix offers a summary of the Applicant Support Program implemented during the 2012 round of the New gTLD Program, highlighting the structure of the program, program criteria, and key features of the process for selection. In addition, this section also provides an overview of the outcomes from the 2012 ASP and a summary of recommendations that have resulted from subsequent review of the 2012 round of the New gTLD Program.

Applicant Support Program: Program Structure, Criteria, and Selection Process for the 2012 Round of the New gTLD Program

Responding to concerns that a US\$185,000 single-fee structure associated with the New gTLD Program was prohibitive for applicants from underserved and underdeveloped regions, the ICANN Board approved US\$2,000,000 to subsidize a fee-reduction program in 2011. This program would allow qualified applicants to pay a US\$47,000 application fee instead of the full US\$185,000.⁹⁷ The overarching objective of this program was “to serve the global public interest by ensuring worldwide accessibility to, and competition within, the New gTLD Program.”⁹⁸

On 11 January 2012, one day before the opening of applications for the New gTLD Program, ICANN org published a Financial Assistance Handbook with step-by-step instructions on how to apply for financial support under the ASP.⁹⁹

The handbook also outlined the three main criteria by which decisions on support would be made:

- **Public Interest Benefit**—to prioritize funds for those projects that would offer demonstrable benefit to the public or suitable community group, including support for distinct cultural, linguistic or ethnic communities, as well as communities with a defined social need.
- **Financial Need**—to distribute funds to those entities that lack sufficient financial resources to pay for application fees or otherwise execute their projects, or who would not be able to raise those resources through other means.
- **Financial Capabilities**—to help ensure those receiving funding will be able to manage those funds and execute this project if successful.

The handbook offered information regarding the application review process. Applicants were to be scored based on the criteria mentioned above. The scoring system, as explained below, intended that “candidates rank[ed] highest as measured against these criteria...be awarded the significant reduction in their application fees.” An applicant had to meet a certain point-based threshold for each criterion set in the scoring system in order to qualify for financial assistance. The different criteria had varying point values and points were given based on a series of questions and corresponding answers.¹⁰⁰ According to the New gTLD

⁹⁷ <https://www.icann.org/en/board-activities-and-meetings/materials/approved-resolutions-regular-meeting-of-the-icann-board-singapore-20-06-2011-en>

⁹⁸ From the [Applicant Support website](#)

⁹⁹ See the 2012 [Financial Assistance Handbook](#)

¹⁰⁰ More details regarding eligibility criteria and questions posed can be found in the Financial Assistance Handbook.

Financial Assistance Handbook, applicants applying for financial assistance “must score at least:

- 5 of 9 points on Public Interest Criteria, the first criteria set.
- 3 of 5 points on Financial Need criteria, the second criteria set.
- 1 of 2 points on Financial Capability criteria, the third criteria set.”

A Support Applicant Review Panel (SARP) composed of five volunteers from the ICANN community was to review each request for assistance, scoring applicants based on the criteria mentioned above. The scoring system was meant to ensure that “candidates rank[ed] highest as measured against these criteria...be awarded the significant reduction in their application fees,” but that only candidates meeting the criteria threshold could qualify for assistance.

Once the SARP evaluation process was complete, qualified applicants were ranked by highest point order. In the case that there was not enough funding for all qualified applicants to receive financial assistance, the point system allowed for ICANN org to “rank and prioritize eligible applications and award financial aid to those determined to best meet the three criteria.”

Qualified applicants that had a high enough threshold to receive financial assistance subsequently had their fee reduced from US\$185,000 to US\$47,000 and could proceed with their New gTLD Program application. Qualified applicants that did meet the criteria but did not rank high enough to receive financial assistance could opt to pay the full US\$185,000 and proceed with the standard application process *or* receive a US\$42,000 refund if their ability to start a TLD was dependent on receiving assistance. Applicants that were “disqualified,” i.e, those that did not meet the threshold criteria, were barred from receiving financial assistance and their New gTLD Program application was precluded. Disqualified applicants received a refund of US\$42,000 unless the SARP believed there was “willful gaming” involved. There was no appeal mechanism for SARP decisions.

In addition to financial support, ICANN org also published an Applicant Support Directory to help connect potential New gTLD applicants in developed and underdeveloped regions with parties offering other types of support. The Applicant Support Directory was created to “connect potential applicants who wish to establish a new public interest gTLD registry in their community with organizations who wish to offer either financial or non-financial assistance.”¹⁰¹ The directory was divided into two lists; one that listed the applicants seeking assistance in meeting the requirements set forth by the New gTLD Program Applicant Guidebook, and another list containing organizations willing to provide applicants with pro-bono work, in-kind support, or grants.

2012 New gTLD Program: Applicant Support Program Outcomes

During the 2012 round of the New gTLD Program, ICANN org did not exhaust the US\$2 million reserved for the Applicant Support Program. In total, ICANN org received three applications for financial support in the 2012 round of the ASP. They came from DotKids

¹⁰¹ See ASP FAQs: <https://newgtlds.icann.org/en/applicants/candidate-support/faqs>

Foundation Ltd (.KIDS), Nameshop (.IDN), and Ummah Digital Ltd (.UMMAH). Of the three applicants, DotKids Foundation Ltd was the only entity to meet the point-based threshold for all three criteria and receive a fee reduction to US\$47,000.

In addition, by the conclusion of the 2012 New gTLD application window, the Applicant Support Directory listed 54 organizations seeking support and 24 organizations offering support. These lists provided the names of applicant organizations and assisting organizations, contact names, contact emails, the country in which the organization was located, and the kind of assistance needed or provided. To date, no data is available to determine the utilization of these lists.¹⁰²

Findings and Recommendations for Applicant Support Program in Future Rounds of the New gTLD Program

In the years following the 2012 round of the New gTLD Program, there have been various reviews of the process. Included in these reviews have been appraisals of the success of the Applicant Support Program and recommendations for further development to be implemented in future rounds.

AMGlobal: “New gTLDs and the Global South” and the Competition, Consumer Trust, and Consumer Choice Review Final Report

In 2016 the Competition, Consumer Trust, and Consumer Choice Review team commissioned a study by AMGlobal to explore the limited demand from the Global South in the 2012 round of the New gTLD Program. Of the 1,930 applications received during that round, only 303 applications were from the Global South and of those, only 200 continued on to delegation. The study found that there were various factors limiting applications from the Global South. These were categorized into three main areas: Overall Awareness, Lack of Clarity Around Business Model for a New gTLD+ Related Issues, and Costs and Process Complexity. Within each of these categories, interviewees in the study mentioned these barriers to application:

- Overall Awareness
 - Limited overall awareness of the program and unfamiliarity with ICANN.
 - Lack of complete, accessible information about the program.
 - Inadequate time for decision making.
- Lack of Clarity around Business Model for a New gTLD and Related Issues
 - No proven business model to follow—and in some cases, no obvious business model.
 - Concerns about customer confusion.
 - Market Readiness: was the market—or were potential users—“ready” for new gTLDs?
- Costs and Process Complexity
 - Application costs and longer-term running costs.
 - Complexity of the process and ICANN follow-up.

¹⁰² Competition, Consumer Trust, and Consumer Choice (CCT) Review Team Final Report: <https://www.icann.org/en/system/files/files/cct-rt-final-08sep18-en.pdf>

- Concerns about sales channel, competition with the Global North.¹⁰³

Considering these findings, the CCT review team offered three recommendations relating to the ASP in their Final Report, two of which were adopted by the Board. In Recommendation 30, the team recommended ICANN org “expand and improve outreach into the Global South,” stating:

If increased applications from the Global South is determined to be an objective for a future round of applications, outreach to the Global South requires a more comprehensive program of conference participation, thought leader engagement, and traditional media. . . The review team recommends that the outreach program begin significantly earlier to facilitate internal decision making by potential applicants.¹⁰⁴

In Recommendation 31, the CCTRT recommended that ICANN org coordinate a pro bono assistance program.

New gTLD Subsequent Procedures Policy Development Process Working Group Recommendations regarding Financial Support

Topic 17 of the New gTLD Subsequent Procedures Policy Development Process Working Group’s final report is dedicated to the Applicant Support Program. The Working Group “believes that the high-level goals and eligibility requirements for the Applicant Support Program remain appropriate,” but offered eight recommendations and 11 pieces of Implementation Guidance for future rounds. The recommendations in this area suggest expanding the scope of financial support provided to ASP beneficiaries to include application writing fees and attorney fees; improving outreach, education, evaluation, and usability of the ASP; and exploring additional funding options, including “attorney fees,” “application writing fees,” and “bid credits”; and also providing non-financial assistance, such as pro-bono assistance.

One of the main concerns that the ICANN community and the Working Group had with the 2012 round of the ASP was with regards to outreach efforts and awareness of the program. Accordingly, much of the implementation guidance provided by the Working Group is intended to ensure that the “target audience” is indeed aware of the opportunity. The Working Group advised that outreach activities should be conducted well in advance of the opening of the application window and that ICANN should adjust the scope of the outreach to better align with the target audience.

Specifically, the Working Group recommends that outreach extend beyond those in “underserved or underdeveloped regions” and also include those “located in struggling regions that are further along in their development.”¹⁰⁵ The reason for this is that applicants

¹⁰³ AMGlobal Consulting, *New gTLDs and the Global South: Understanding Limited Global South Demand in the Most Recent New gTLD Round and Options Going Forward* (October 2016),

<https://community.icann.org/download/attachments/56135378/New%20gTLDs%20and%20the%20Global%20South%20--%20Understanding%20Limited%20Demand%20and%20Options%20Going%20Forward%2010-31-16.docx?version=1&modificationDate=1478055284445&api=v2>

¹⁰⁴ See CCT Review Team Final Report

¹⁰⁵ See Final Report on the New gTLD Subsequent Procedures Policy Development Process:

in such regions may be “better positioned to operate a TLD and may operate in a market that is more prepared for TLD expansion.”¹⁰⁶ Implementation Guidance in this area also includes drawing on “experts with relevant knowledge, including from the targeted regions, to develop appropriate program elements related to outreach, education, business case development, and application evaluation” to better serve the target population.

The SubPro Working Group states that “the high-level Applicant Support Program eligibility requirements from 2012 remain appropriate, namely that applicants must demonstrate financial need, provide a public interest benefit, and possess the necessary management and financial capabilities,” but does not offer specific recommendations or guidance on how to evaluate applicants based on these criteria.

Instead, the Working Group recommends conducting further research into globally acceptable procedures employed by similar programs to refine the process. Additionally, the Working Group agrees with PIRR that the SARP process of evaluating applicants should be reviewed and standardized. In the last round of the New gTLD Program, the SARP defined its own processes. “The Working Group agrees with the Program Implementation Review Report conclusion that lessons learned from the implementation of other New gTLD Program evaluation panels should be applied, where applicable, to the SARP. As noted in the Program Implementation Review Report, possible areas of improvement include publication of processes, format of the final report, and documentation of rationale for decisions.”

Despite the challenges associated with the ASP in the 2012 round of the New gTLD Program, there is still support for inclusion of the Program in subsequent rounds. The Non-Commercial Stakeholder Group (NCSG) supports the ASP but has stated that “the WG must also ‘flesh out’ other recommendations for applicant support, including non-financial support (education and information).” The At-Large Advisory Committee (ALAC) supports the ASP, and further argues that the Working Group’s recommendations “do not go far enough to improve the utility of the ASP and/or suggest ‘implementation elements of ASP’ which lack adequate policy guidance details which are highly necessary.”

https://qns0.icann.org/sites/default/files/file/field-file-attach/final-report-newgtld-subsequent-procedure_s-pdp-20jan21-en.pdf

¹⁰⁶ Ibid.

Appendix B. Previous ASP-Related ICANN org Research

ICANN org conducted a review of academic research regarding the development and implementation of financial assistance programs looking at examples of different programs. Prior research specifically has explored factors to be considered in 1) determining the goals of a financial assistance program; 2) developing the application process; and 3) measuring the success of applicants and the program itself. Findings from this previous research are summarized in Table 7.

Table 7. Summary of Findings from Previous Research¹⁰⁷

Program Development Area	Summary of Research Findings	How might this be explored in the ASP?	Program Examples
Determining the goal of the program	<ul style="list-style-type: none"> The program should be clearly focused on the goals and purpose of the financial assistance provided. Without a clear intention, the program may not reach the intended audience. An organization should conduct a needs assessment to identify the issues the community faces. An organization might also consider factors that make a business environment unique or more challenging for 	<ul style="list-style-type: none"> Consider exploring mechanisms to assess the needs of the target audience, which may help to define the goals of the program. Explore ways to consider external regulatory factors in looking at potential needs of the target audience. 	<ul style="list-style-type: none"> The Grameen Bank uses microfinance as a means to reduce poverty. The Grameen Bank focuses on creating and developing a credit system based on the needs of the local population, while at the same time prioritizing access for the most impoverished.

¹⁰⁷ The information presented in this table is intended to enable further exploration in the development of the Applicant Support Program and is not intended to represent specific advice, plans, or commitments.

	small(er) businesses.		
Developing the application process	<ul style="list-style-type: none"> The development phase is crucial for the application process and provides the opportunity to gather information on potential applicants and thereby make decisions regarding the type of resources required and any assistance that applicants may need. One challenge to consider is that (potential) applicants may not be aware of the funding opportunity, making outreach an important 	<ul style="list-style-type: none"> Explore ways to provide additional support during the application process to mitigate any “hassle costs” related to the application as well as to ensure that the application process is inclusive. Explore best practices for developing transparent and objective evaluation criteria. 	<ul style="list-style-type: none"> With regards to evaluation of applicants, the World Bank’s International Development Association (IDA) uses a scoring framework based on several factors, including gross national income, population, and an assessment of economic and structural policies. The IDA program provides the eligible country with a written justification for each score and a consultation. The IDA program conducts a two-stage review to ensure consistency across eligible countries.

	<p>aspect of program development.</p> <ul style="list-style-type: none"> • Balancing information and privacy concerns are of particular importance as it relates to vetting applicants; systems may need to be put in place to help achieve that balance. • Using a systematic approach to defining criteria is important in keeping the criteria objective. 		
<p>Measuring the success of the program and the applicant</p>	<ul style="list-style-type: none"> • The funding body must determine how it will interact with award recipients post-award. This might include assessing institutional performance, market development, and economic impact. • Measuring overall effectiveness of the program may also include assessing impact and reach, accessibility, and capacity. 	<ul style="list-style-type: none"> • Explore the use of a model and indicators to determine effectiveness of the ASP, including potentially measuring a “return on investment.” 	<ul style="list-style-type: none"> • The US Small Business Administration implemented a framework for conducting program evaluations, which includes guidelines for preparing and implementing evaluations and reporting on findings. • The framework provides SBA leaders a tool that can be tailored to specific programs in ensuring effectiveness.

Appendix C. Organizations Considered

This appendix provides a sample of organizations considered as part of our research of globally recognized procedures. These organizations were reviewed for similar programs and for relevant best practice guidance. Not included is a summary of the academic research considered for this paper.

Organization	Website
US Agency for International Development	https://www.usaid.gov/
The World Bank Group (including the IDA, IDRB, MIGA, and IFC)	https://www.worldbank.org/en/home
International Monetary Fund	https://www.imf.org/en/Home
Robert Wood Johnson Foundation	https://www.rwjf.org/
Ford Foundation	https://www.fordfoundation.org/
Bill and Melinda Gates Foundation	https://www.gatesfoundation.org/
The Rockefeller Foundation	https://www.rockefellerfoundation.org/
Co-Impact	https://co-impact.org/
National Science Foundation	https://www.nsf.gov/
National Institutes of Health	https://www.nih.gov/
Echoing Green	https://echoinggreen.org/
New York Foundation	https://www.nyf.org/
Inter-American Foundation	https://www.iaf.gov/

US African Development Foundation	https://www.usadf.gov/
The Case Foundation	https://casefoundation.org/resource/short-guide-impact-investing/
US Small Business Administration	https://www.sba.gov/
US Department of Agriculture	https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do
US Financial Literacy and Education Commission	https://home.treasury.gov/system/files/136/Best-Practices-for-Financial-Literacy-and-Education-at-Institutions-of-Higher-Education2019.pdf
Brookings Institution	https://www.brookings.edu/
The Bridgespan Group	https://www.bridgespan.org/insights/library/philanthropy/disparities-nonprofit-funding-for-leaders-of-color
Stanford Center on Philanthropy and Civil Society	https://pacscenter.stanford.edu/
Stanford Social Innovation Review	https://ssir.org/#
The Urban Institute	https://www.urban.org/
PEAK Grantmaking	https://www.peakgrantmaking.org/
Grantmakers for Effective Organizations	https://www.geofunders.org/
Informing Change	https://www.hewlett.org/wp-content/uploads/2017/11/A-Guide-to-Using-OCA-Tools.pdf
European Venture Philanthropy Association	https://www.evpa.ngo/

Appendix D. Inclusive Outreach Efforts

This section provides an example from Co-Impact to demonstrate how outreach efforts can be modified to be more inclusive of underserved communities.

Organization/Program

Co-Impact is “a global philanthropic collaborative focused on improving the lives of millions of people through just and inclusive systems change.”¹⁰⁸ Funding partners include the Bill and Melinda Gates Foundation, The Rockefeller Foundation, MacKenzie Scott and Dan Jewett, among other prominent philanthropic organizations. The organization employed many changes to expand outreach in the third round of applications for its Foundational Fund, a grant aimed at supporting collaborative systems change efforts that achieve significant and enduring improvements in education, health, and economic opportunity for people in Africa, Asia, and Latin America.

Changes to Outreach Efforts

In the third round, Co-Impact sought to focus granting efforts on organizations deeply rooted in the Global South and those led by women. In order to do so, staff implemented various changes to their outreach efforts to “promote broader outreach, transparency, and inclusion.” These included:

- Translating the Open Call documents [into four languages](#).
- Holding [four Question and Answer webinars](#) with applicants across time zones.
- Disclosing [scoring criteria](#) publicly to increase transparency of criteria.
- Extending the Open Call period from one to three months (including a one-month extension in response to COVID).
- Investing time and resources in reaching out to new networks in regions of the Global South.
- Clearly specifying the outcomes they seek to achieve.

While the organization required all applications to be written and submitted in the English language, they made it clear that fluency was not required and trained reviewers not to conflate fluency in English with quality of concept.¹⁰⁹

Co-Impact concluded that these changes allowed the organization to successfully expand its applicant pool to previously overlooked groups. As the organization noted in a blog, “When a funder consciously signals that Global South-rootedness, gender-inclusive design, and women in leadership matter, organizations respond.”

When the application period closed, the organization received “far more” applications than expected, with 95% of applicants meeting the bar for being rooted in the Global-South and, after administrative review, 73% of applicants meeting the full criteria for further review.

¹⁰⁸ See Co-Impact website: <https://co-impact.org/>

¹⁰⁹ See Co-Impact news [article](#).

Appendix E. Streamlining Application Processes

This appendix provides recommendations for streamlining application processes and offers interventions that the Robert Wood Johnson Foundation has employed to make their application processes more inclusive.

Recommendations for RFP and Application Processes from Chan and Fischer on the Equity in Philanthropy platform¹¹⁰

Equity in Philanthropy recommendations for Incorporating DEI in the grantmaking process specify the following actions can be taken to make the application process more accessible:

- Consider eliminating the written grant application altogether. Possibly replace the process with site visits and conversations with the applicant.
- Consider receiving applications and awarding grants on a rolling basis. This can be critical for smaller organizations with greater budget and time sensitivities.
- Give stipends to applicants who do not receive grants to compensate them for the time they spent on the application processes (e.g., \$1,000 for a 10-hour process). (This may not be feasible for open grant applications.)
- Create processes that are more flexible, nimble, timely, and responsive in awarding grants.
- Allow applicants to submit proposals prepared for other funders (or “common applications.”)
- Allow applicants to first submit short LOIs (letters of interest) to express interest in applying for a grant and use the LOIs as a screening mechanism to determine whom to invite to submit a full grant application.
- Clarify and demystify the grant-making selection, process, and timeline. Hold optional informational sessions to answer applicant questions and provide guidance to navigate the application process. Explain the grant-making process: What’s the difference between an LOI and a grant application? What’s the difference between an output and an outcome, or a goal versus a strategy versus a vision? What is a logic model? Provide examples. View your program’s application process as a means to develop capacity to facilitate grant applications for any funder.
- For applicant organizations that have staff with limited English proficiency, consider providing language and cultural translation and technical assistance with their grant applications. Also consider having at least one grant reviewer who is familiar with the applicant’s culture and language.
- Give smaller organizations additional time to submit applications.
- Collect feedback about the number of hours required to go through the application process and other ways to improve it. This can be via a question on the application itself, a separate email, or a short online survey.

¹¹⁰ For more information see the Equity and Philanthropy Checklist of Potential Actions: <http://www.equityinphilanthropy.org/2016/10/04/dei-grantmaking-checklist/>

- Make grant applications short and concise to minimize burden on applicants. Keep the application process under 10–15 hours. If possible, streamline what information you need from the applicant and let applicants know the amount of time it should take them to complete an application.
- Make sure questions are clear and not duplicative. When you find that applicant responses to multiple questions are similar, consider consolidating those questions.
- Make sure your online platform for submitting applications is user-friendly.
- Eliminate character or word limits for responses to application questions. This will save time because applicants will not have to trim responses to meet character limits. Instead of word count, offer guidance on the number of sentences.
- Minimize the number of required attachments for the application. Instead, require most attachments after you have decided to fund an application or have decided to move the application to the second stage.
- Do not require applicants to translate their project budget into your format OR provide a very simple, flexible budget template.
- Use lay language and avoid using technical jargon in the application form.
- Give applicants the option to provide a budget narrative so that they can explain any financial circumstances.
- Give applicants the option to submit a short video (low-quality, shot on their phone cameras) to complement their written application materials. Some may be able to tell a more compelling story with video.

Robert Wood Johnson Foundation: Community Research for Health Equity

Organization/Program

The Robert Wood Johnson Foundation (RWJ) focuses on improving public health, health equity, access to health care, leadership and training for all, and addressing barriers to health. The organization’s Community Research in Health Equity program is a program that “seeks to elevate community voices through community-led research projects that make the priorities of communities the primary goal of local health system transformation efforts.”¹¹¹

Streamlining Application Processes

As documented in Health Affairs,¹¹² RWJ adopted various interventions to streamline the application process for the 2022 Community Research in Health Equity program. While they were unable to accept alternative formats, RWJ made the application process less burdensome by:

- Shortening the narrative.
- Reducing the number of application phases to one.
- Making some components of the application optional.

RWJ also provided applicants with support during the application period. The organization offered:

- webinars to introduce the funding opportunity.
- Resources to assist applicants in preparing project budgets.

¹¹¹ See

<https://academyhealth.org/publications/2022-05/community-research-health-equity-2022-grantees>

¹¹² <https://www.healthaffairs.org/doi/10.1377/forefront.20220520.197701/>

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- Responses to questions from applicants as they were developing their proposals.

RWJ is currently working with external evaluators to determine the impact that these changes have had on increasing the inclusivity of their application process.

Appendix F. Capacity Development in Practice

This appendix provides examples of organizations that have employed capacity development efforts to make their financial assistance program more inclusive of potential applicants from underserved markets. Included are examples of training, technical assistance, and pipeline preparation programs.

Training

International development organizations such as the World Bank, USAID, and the U.N. Department of Economic and Social Affairs, offer training through in-person and online courses and provide resource databases to help partner organizations and clients develop skills in key capacity areas.¹¹³

The International Monetary Fund provides training in areas such as public finances, monetary and financial policies, macroeconomic frameworks and tools, legal frameworks, and statistics.¹¹⁴ These trainings are listed in a yearly training catalog and open to government officials from all IMF member countries. In addition, the IMF also offers free online courses available to the public through [edX](#) and has created a [YouTube Learning Channel](#) to provide short, targeted on-demand training videos.

The USAID New Partnerships Initiative (NPI) is an example of how capacity development training can be targeted specifically for potential applicants. The NPI is focused on assisting new applicants in building the capacities necessary to successfully apply for partnership with the organization. Launched in 2019, the NPI seeks:

“To lower the barriers faced by nontraditional partners—including local actors, U.S. small businesses, faith-based organizations, cooperatives, diaspora groups, and civil society organizations—so that the Agency can embrace the diverse potential of the partnering community in pursuit of our shared development goals.”¹¹⁵

The NPI helps make USAID information, resources, and funding opportunities more transparent and accessible to potential partners. To do this, USAID launched a [website](#) that allows potential applicants to access a library of resources and tools that will help them assess their current capacities and learn the skills necessary to better compete for funding and partnership. This website includes a pre-engagement assessment, allowing organizations to pinpoint areas of growth, videos to demystify the application process, and training modules to strengthen facets of organizational capacity. As part of the NPI, USAID also holds external events and one-on-one calls with potential partners and has published YouTube videos to further explain the USAID partnership process.

¹¹³ <https://www.un.org/development/desa/cdpmo/capacity-development-tools> and <https://olc.worldbank.org/about-olc/about-olc>

¹¹⁴ See: <https://www.imf.org/en/About/Factsheets/imf-capacity-development>

¹¹⁵ Read more about USAID NPI here: <https://www.usaid.gov/npi>

This initiative has been successful in facilitating innovative partnerships. As noted on the USAID website: “Since the launch of NPI in May 2019, [USAID has] seen great success in working with partners that are new and underutilized (NUPs). To date, USAID ha[s] formed 29 partnerships with nearly 60 organizations, valued at over \$400 million.”¹¹⁶

Technical Assistance

The Robert Wood Johnson Foundation (RWJ) People, Parks, and Power Initiative “is the first national funding initiative in the US to support power building by community-based organizations to reverse deep seated park and green space inequities in Black, Latino, and Indigenous communities across the country.”¹¹⁷ In the 2021 application round of the program, RWJ connected potential applicants with a contracted technical assistance provider, Prevention Institute, to provide assistance during the application process.

Prevention Institute supported potential applicants through email and telephone conversations. The technical assistance provided was time-bound (available from 18 October–1 November, 2021) and had specific parameters. As stated on the program website, this assistance was intended to clarify “who and what the P3 initiative will fund, LOI requirements, as well as the kinds of outcomes that would or would not be a good match.” The statement further noted that Prevention Institute would not provide input on the competitiveness of an application and that technical assistance calls were not an opportunity for the potential applicant organization to offer reasons why it should be funded.¹¹⁸

Providing this assistance, RWJ notes, helps to “eliminate the structural barriers that have contributed to park and green space inequities” for those groups who are newer to park and green space issues (i.e., people of color-led, base-building groups).¹¹⁹

Pipeline Programs

The Women in Philanthropy (WIP) Micro-Loan Program offers loans from \$1,000 to \$10,000 to women to start or grow a business venture. This program connects the organization’s training and mentorship programs with financial assistance loans. In order to be eligible for the organization’s micro-loan, women must have completed the WIP “financial confidence training to further their personal and professional financial acumen” and be working with a WIP mentor to develop their business plan and loan application.¹²⁰

California’s Strategic Growth Council has adopted a moderately comprehensive pipeline approach in their Transformative Climate Communities Implementation Grants program.¹²¹ The organization requires and pays for all applicants to work with a technical assistance provider who offers reviews of application responses, oversees application coordination, develops budgets and conducts financial analysis, and assesses project readiness. The

¹¹⁶ <https://www.usaid.gov/npi/npi-awards>

¹¹⁷ <https://preventioninstitute.org/projects/people-parks-and-power>

¹¹⁸ See TA explanation sheet:

<https://anr.rwjf.org/templates/external/Technical%20Assistance%20Available%20for%20Prospective%20P3%20Applicants.pdf>

¹¹⁹ Ibid.

¹²⁰ WIP loan requirements: <https://supportnepawomen.org/entrepreneurship-and-micro-loans/>

¹²¹ <https://sqc.ca.gov/programs/tcc/resources/application.html>

technical assistance provider also assists with aspects of the application that require specific technical expertise such as calculating greenhouse gas reductions.

The Los Angeles County Department of Mental Health's Transforming LA Through Partnership program is an example of a more comprehensive pipeline approach to capacity development. Transforming LA Through Partnership is "an innovative capacity building program designed to help small and mid-sized grassroots organizations get the mentorship, training and technical assistance they need to be better prepared to compete for and manage funding from the Los Angeles Department of Mental Health."¹²² This program, facilitated by a contracted intermediary technical assistance provider, helps community-based organizations (CBOs) develop and strengthen the capacities necessary to be competitive for future funding competitions.

A cohort of 29 CBOs receive training, technical assistance, and capacity development through:

- Online academy sessions
- Small group meetings
- One-on-one coaching and consultation

Participating CBOs also have access to funds to support institutional capacity needs, including technology, software, and other infrastructure costs. Once the CBOs have completed the training sessions, they receive additional funding to support hands-on training. This funding is to be used to implement a project that will increase community access to preventative mental health services. Through participation in the Transforming LA program, CBOs develop key capacities and build network connections that prepare them for competition in future funding opportunities with the LA County Department of Mental Health.

¹²² Transforming LA information sheet:
http://file.lacounty.gov/SDSInter/dmh/1081143_IA_2020_DMH_FactSheet.pdf

Appendix G. Defining Public Interest

Benefit in Practice

This appendix offers additional examples of how programs similar to the ASP define eligibility criteria related to Public Interest Benefit. Specifically, this section examines how other organizations define Public Interest Benefit (and similar criteria) as *impact* and as *applicant characteristics*.

Public Interest Benefit as Impact

The National Science Foundation (NSF) considers *broader impact* an eligibility criterion in various research and non-research funding competitions. This broader impact criterion is defined similarly to a Public Interest Benefit criterion. In the application process, applicants are asked to submit a broader impacts statement describing “the potential of the proposed activity to benefit society and contribute to the achievement of specific, desired societal outcomes.”¹²³ While the NSF does not specify or limit the “desired societal outcomes” it targets, the organization provides an explanation for what might satisfy this criterion. As stated on the NSF website and in policy documentation:

Broader impacts may be accomplished through the research itself, through the activities that are directly related to specific research projects, or through activities that are supported by, but are complementary to the project. NSF values the advancement of scientific knowledge and activities that contribute to the achievement of societally relevant outcomes. Such outcomes include, but are not limited to: full participation of women, persons with disabilities, and underrepresented minorities in science, technology, engineering, and mathematics (STEM); improved STEM education and educator development at any level; increased public scientific literacy and public engagement with science and technology; improved well-being of individuals in society; development of a diverse, globally competitive STEM workforce; increased partnerships between academia, industry, and others; improved national security; increased economic competitiveness of the U.S.; use of science and technology to inform public policy; and enhanced infrastructure for research and education. These examples of societally relevant outcomes should not be considered either comprehensive or prescriptive. Proposers may include appropriate outcomes not covered by these examples.¹²⁴

Because the list of potential broader impact topics is long, the NSF has also created a [BI Framework](#) to help potential applicants articulate the broader impacts of their research or non-research projects.

Public Interest Benefit as Applicant Characteristics

The World Bank’s Multilateral Investment Guarantee Agency (MIGA) Small Investments Program seeks to promote investment in small and medium-sized enterprises (SMEs). The

¹²³ https://nsf.gov/pubs/policydocs/pappg20_1/pappg_2.jsp#IIC2d

¹²⁴ Ibid.

World Bank Institute has found that in the world's poorest countries nearly all business is small business. SMEs account for more than 60 percent of GDP and 70 percent of total employment in low-income countries. In middle-income countries, SMEs produce close to 70 percent of GDP and 95 percent of total employment. Because of this, the World Bank Group has concluded that "encouraging the growth of small and medium-size enterprises (SMEs) is critical to the creation of jobs, economic growth, and poverty reduction."¹²⁵

In 2005 MIGA launched its Small Investment Program (SIP), targeted at projects that facilitate foreign direct investment in this critical sector that represents a benefit to the global public interest. The SIP offers a fee waiver for MIGA applicants who invest in qualifying small and medium-size enterprises and whose application for investment guarantee is US\$10 million or less. Applicants submitting a Definitive Application for MIGA coverage are charged an application fee of US\$5,000-\$10,000 and a US\$25,000 processing fee. These fees are waived for applicants who qualify for the SIP.

In order to be eligible for the SIP, an enterprise must fulfill two of the following three criteria:

- No more than 300 employees
- Total assets not more than US\$15 million
- Total annual sales not more than US\$15 million.

Eligibility is determined during the initial screening of the preliminary application.

¹²⁵ <https://www.miga.org/story/small-projects-big-impact>

Appendix H. Defining Financial Need in Practice

This appendix offers examples of how programs similar to the ASP define financial need.

The World Bank Group

The World Bank Group sets financial cut-offs based on gross national income (GNI) per capita for its various financial products. The International Development Association (IDA) is an example of such a program. The IDA provides development financing and cross-sector support that responds to complex global challenges and helps countries improve development outcomes. The IDA supports a range of development activities, including primary education, basic health services, clean water and sanitation, agriculture, business climate improvements, infrastructure, and institutional reforms.

To be eligible for these resources, country applicants must be in a situation of relative poverty as indicated by the per capita income falling below GNI per capita of \$1,255 in FY23 and/or lack creditworthiness for International Bank for Reconstruction and Development borrowing. IDA funds are allocated to recipient countries in relation to their income levels and record of success in managing their economies and their ongoing IDA projects.¹²⁶ A list of eligible countries can be found on the IDA website.¹²⁷

The International Monetary Fund

The International Monetary Fund follows a similar procedure with its Resiliency and Sustainability Trust. As stated on the organization website:

The IMF's Resilience and Sustainability Trust (RST) helps low-income and vulnerable middle-income countries build resilience to external shocks and ensure sustainable growth, contributing to their longer-term balance of payments stability. It complements the IMF's existing lending toolkit by providing longer-term, affordable financing to address longer-term challenges, including climate change and pandemic preparedness.¹²⁸

This IMF program bases its financial eligibility cut-off on the World Bank Group's IDA funding. Eligibility for the Resiliency and Sustainability Trust includes all low-income countries and all developing and vulnerable small states with per capita GNI below 25 times the 2021 IDA operational cutoff, and all middle-income countries with per capita GNI below 10 times the 2021 IDA operational cutoff.¹²⁹

¹²⁶ See <https://ida.worldbank.org/en/about/borrowing-countries>

¹²⁷ <https://ida.worldbank.org/en/about/borrowing-countries>

¹²⁸ <https://www.imf.org/en/Topics/Resilience-and-Sustainability-Trust>

¹²⁹ See RST [FAQ sheet](#)

Appendix I. Financial Due Diligence in Philanthropy

This appendix offers an example of financial due diligence best practices in philanthropy, including a qualitative complement to the quantitative assessment.

The Grantmakers for Effective Organizations (GEO) Due Diligence Tool¹³⁰ recommends considering both quantitative and qualitative components to make the due diligence process more inclusive of applicants from nontraditional backgrounds. For a quantitative assessment, the guide recommends analyzing an applicant's balance sheet and income statement. The guide notes that funders should consider the following indicators of financial health when reviewing an applicant's financial statements:

- The organization has working capital that is equal to the current liabilities plus three months of operating budget.
- The organization has positive net assets (also called a fund balance).
- The organization does not have an operating deficit in the current year (i.e., revenue exceeds expenses).

The GEO guide also offers examples of the qualitative component of financial due diligence. The guide suggests funders ask applicants the following series of questions related to their financial situation:

- Describe your organization's current financial state.
- Has the organization borrowed money? If so, what are the terms of the loan? Was the borrowing for capital expenditures, such as a building, or to cover an operating loss?
- (If debts exceed available cash) What is your plan for debt reduction?
- (If there was an operating loss) What are you going to do to avoid another loss this year?
- What is your vision for (continued) financial health? Where do you see the organization, financially, in five years?
- What financial statements do you generate? How frequently? Who prepares them? Who reviews them?
- Describe the financial expertise on your board. What role does the board play in financial oversight?
- What is the process for providing the board with regular financial information?
- How would you describe the health and balance of your funding mix — i.e., is it diversified enough? What areas, if any, do you seek to change or improve? How?
- What are your concerns, if any, about your funding picture?¹³¹

¹³⁰ For more information see the Grantmakers for Effective Organizations' [Due Diligence Tool](#)

¹³¹ See pages 30-38 of GEO [Due Diligence Tool](#) for indicators of effectiveness and red flags when assessing financial health.

Appendix J. The Bill and Melinda Gates

Foundation PRI Evaluation Procedures

This appendix provides more information on how the Gates Foundation evaluates applicants for its Program Related Investments (PRI).

The Gates Foundation evaluates potential PRI applicants using multiple review panels, each with its own expertise. A program team, composed of subject-matter experts, typically initiates the PRI, as it would a grant, and is responsible for evaluating the project's potential charitable impact and its alignment with overall organizational goals. Then “[a] PRI team, with expertise in private equity and venture capital, structures the transaction and evaluates its financial risk. The PRI team brings to bear many of the same analytic skills and tools that a commercial investor would.”¹³²

After evaluation and support from the PRI team, the next level of programmatic review is completed by a nine-person PRI Investment Committee. The committee includes representatives from program teams across the foundation as well as the chief financial officer and the general counsel. This group assesses the charitable impact and investment risk of the proposed deal and decides whether to recommend the deal for further review by the president of the applicable organization division, who can then recommend the deal for ultimate review by the foundation CEO.

¹³² See [Investing for Impact with Program Related Investments](#)

Appendix K. Applicant Ranking

Procedures

This appendix offers examples of programs that rank applicants during the application evaluation and selection process.

National Institute of Health

The US National Institute of Health ranks grant applicants through a multi-stage scoring process.¹³³ Reviewers assign each application preliminary scores for each criterion and gives each application a preliminary impact score. NIH then convenes a review meeting to discuss applications with high preliminary impact scores. For each application that is discussed, a final impact score is given by eligible committee members. The applications' overall impact score is then determined by calculating the mean score from all eligible review members' impact scores and multiplying by 10. Given this scoring scheme, each application can receive a possible 10-90 overall impact score. Applicants are ranked by their overall impact score and funding decisions are made based on the amount of funding available. In the case of a tie, other important factors based on overall program objectives are considered.

Multilateral Investment Guarantee Agency (MIGA)

The World Bank MIGA application review process involves assigning applicants to an A, B, or C track.¹³⁴ MIGA's guarantee issuance process begins when a client submits a Preliminary Application. The application is free, confidential, short, and can be completed online.

As soon as MIGA receives an application, they will assign an underwriter to review it to determine whether the project meets eligibility criteria. MIGA will then contact the client to discuss the project. If invited to submit a Definitive Application, whose evaluation involves an early screening meeting where an approval track is recommended. These tracks determine which applicants will be considered by the Board.

According to program documentation, the organization "uses a categorization system (e.g., A, B, C, FI-1, FI-2, and/or FI-3)¹³⁵ to reflect the potential magnitude of Environmental & Social risks and/or impacts (high, medium or low) of the business activities to be supported by its guarantees and to allocate resources and approval levels according to the potential risk/impact."¹³⁶ In this scheme, similar to that used by the International Finance Corporation, projects with potential significant adverse environmental and social risks and/or impacts are Category A, those with potential limited adverse environmental or social risks and/or impacts are Category B, and those with minimal or no adverse environmental or social risks are

¹³³ For more information see [NIH policy on scoring procedure](#)

¹³⁴ See [Training Program on MIGAs Guarantees](#)

¹³⁵ https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifu/policies-standards/es-categorization

¹³⁶ <https://www.miga.org/sites/default/files/2022-04/MIGA%20Impact%20Investing%20Principles%20-%200Disclosure%20Statement%20March%202022%20New.pdf>

Category C. The Project Review committee then engages in another review for complex or risky projects.

After ranking, applications are sent on for due diligence and included in the President's Report for the Board.

Appendix L. Ford Foundation BUILD Program

This appendix offers an example of ongoing, comprehensive support for successful applicants.

The Ford Foundation’s Building Institutions and Networks (BUILD) initiative is a grantmaking program focused on helping social justice organizations become stronger and more resilient over time. The initiative “aims to equip these organizations with the strategic clarity, people, knowledge, and resources they need to achieve impact and advance systems change over the course of years and decades.”¹³⁷ The BUILD initiative is an example of the many ways that funders are focusing attention on the long-term sustainability of organizations that face capacity and funding challenges.

BUILD provides invited grantees with five years of general operating support combined with targeted, organizational capacity-strengthening support. An organization invited to participate in the program begins by assessing its organizational capacity through the Ford Foundation’s Organizational Mapping Tool.¹³⁸ Using the results of this assessment, the grantee chooses areas of organizational capacity that they would like to strengthen over the course of the grant. Organizations develop their own plans for the types of institutional strengthening they wish to pursue with grant funds. Grantees also participate in BUILD-sponsored convenings, technical assistance, evaluation, strategic communications, and other funder engagement activities.

Evaluation of the BUILD program finds that grantees show increased organizational and financial strength and resilience as a result of participating in the program.¹³⁹

¹³⁷ See BUILD website

<https://www.fordfoundation.org/work/our-grants/building-institutions-and-networks/>

¹³⁸ For more information regarding the Ford Foundation’s Organizational Assessment Process see:

https://www.fordfoundation.org/work/our-grants/building-institutions-and-networks/organizational-map_ping-tool/

¹³⁹ For more information, see program evaluation report: <https://www.fordfoundation.org/media/7095/build-evaluation-final-report.pdf>



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