

## Draft ASP Evaluation Criteria - 15 December 2023

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ASP Next Round Evaluation Criteria

Pre-screening

All Applicants			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
Legal Compliance Check	Applicant must pass a legal compliance check.	The organization, country, regime, entity, and individuals are not listed on the US Treasury Department's Office of Foreign Assets Control's (OFAC) List of Specially Designated Nationals and Blocked Persons (the SDN List).	<a href="#">2012 AGB</a> (1.2.1) - may need updating
Completeness Check	Applicant must submit a complete application to the ASP system.	ICANN org conducts a review of a submitted ASP application to determine if all required responses and documentation were submitted before the application can proceed to background screening.  If required documents are missing, ICANN org follows-up with the applicant to inform them and allow them to submit required materials. The applicant cannot proceed to further evaluation without a complete application.	<a href="#">2012 AGB</a> (1.1.2.2) - may need updating

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<b>All Applicants</b>			
<b>Criterion</b>	<b>Indicator(s)</b>	<b>Question / Document</b>	<b>Rationale / Sources</b>
AGB Eligibility Criteria	Applicant must meet eligibility criteria denoted in the Applicant Guidebook for the next round. It is anticipated that the next round eligibility criteria will closely follow the 2012 Applicant Guidebook (Module 1, page 21).	<p>ICANN org conducts a review of a submitted ASP application to confirm that the ASP applicant meets the eligibility criteria before the application can proceed to background screening.</p> <p>New gTLD Program Eligibility: established corporations, organizations, or institutions in good standing may apply for a new gTLD. Applications from individuals or sole proprietorships will not be considered. Applications from, or on behalf of yet-to-be formed legal entities, or applications presupposing the future formation of a legal entity (for example, a pending joint venture) will not be considered.</p>	<a href="#">2012 AGB</a> (1.2.1) - may need updating
Background Screening	Applicant must pass a background screening.	ICANN org directs a third-party vendor to conduct a background screening to confirm that the entity applying is one that ICANN org can do business with [EXACT INDICATORS TO PASS/FAIL SCREENING TBC]	<a href="#">2012 AGB</a> (1.2.1) - may need updating
Cybersquatting History Check	Applicant must pass a cybersquatting history check.	Checks whether the applicant or individual named in the application was engaged in cybersquatting, as defined in the Uniform Domain Name Dispute Resolution Policy (UDRP), Anti-cybersquatting Consumer	<a href="#">2012 AGB</a> (1.2.1) - may need updating

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<b>All Applicants</b>			
<b>Criterion</b>	<b>Indicator(s)</b>	<b>Question / Document</b>	<b>Rationale / Sources</b>
		Protection Act (ACPA), or other equivalent legislation, or was engaged in reverse domain name hijacking under the UDRP or bad faith or reckless disregard under the ACPA or equivalent legislation.	

## Financial Need

Entity demonstrates financial need			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
Paying the full gTLD application fee presents a financial hardship for the entity applying.	Cost of the subsidized gTLD application fee ([X%] of the [\$XK] USD fee) is greater than 20 percent of the organization's annual revenue.	<p><u>Questions:</u></p> <ul style="list-style-type: none"> <li>How funding support from ICANN would enable your organization to apply for a gTLD? Why would the full gTLD application fee present a financial hardship? The answer should correspond with your financial documentation and description of funding and revenue sources.</li> </ul> <p><u>Documents:</u></p> <ul style="list-style-type: none"> <li>Two years of most recent audited financial statements, including profit and loss, if available. If not available or older than 12 months old, most recent financial statements even if unaudited.</li> </ul>	Based upon the approach in <a href="#">2012 Financial Assistance Handbook</a> , updated approach and questions.
	OR		
	The applicant demonstrates through submission of a budget with funding designations, financial statement, and narrative statement, that the full gTLD application fee presents a financial hardship.		

## Financial Stability

Financial Stability			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
Ability to pay remaining discounted New gTLD Program application fee without financial hardship	<ol style="list-style-type: none"> <li>1. Submit [X percentage or \$X USD fixed amount] deposit towards the base gTLD application fee <b>OR</b></li> <li>2. Submit [10%] of the [\$X USD] deposit with a narrative statement. Narrative should include plans for acquiring the remaining amount of funding necessary to apply at least six months prior to the start of the gTLD application submission period [Month/Year].</li> </ol> <p>NOTE: ASP applicants that withdraw are eligible to receive a refund.</p>	<p>Please describe how your organization plans to cover the remaining gTLD application fees without experiencing financial hardship, as evidenced by a deposit.</p> <p>If your entity cannot demonstrate the ability to pay the remaining gTLD application fee without financial hardship as described, please submit a funding plan and accompanying narrative to describe how the entity plans to meet these financial requirements.</p> <p>Determined by submitting:</p> <ul style="list-style-type: none"> <li>• Audited financial statements; and</li> <li>• Current financial statements.</li> <li>• If the applicant cannot demonstrate (via its</li> </ul>	<p>Example from <a href="#">Registrar Accreditation</a>: Demonstrate that it has adequate working capital available for the operation of the registrar business, given the registration volume reasonably projected by applicant. For applicants seeking initial accreditation, demonstration of the ability to procure liquid capital immediately available in the applicant's name at the commencement of the accreditation period in an amount of US\$70,000 or more will be deemed adequate, although a lesser amount will be accepted upon a showing that in the circumstances it will provide adequate working capital. Evidence of independent verification of the capital (such as by guaranteed bank loan or by a guaranteed credit line or letter of credit from a recognized financial information) need not</p>

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		<p>submitted audited and current financial statements) its ability to pay the remaining gTLD application evaluation fees without causing financial hardship, the applicant must submit a funding plan for acquiring resources within the indicated timeframe to pay the remaining gTLD application evaluation fees.</p>	<p>accompany the application, but must be presented as a condition of accreditation becoming effective. For applicants with existing registrar businesses, or proposing to convert their existing domain-name reseller businesses to registrar businesses, an independently verified financial statement (such as by an accountant's audit) showing the working capital devoted to the business should be presented with the application.</p>
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Public Responsibility Due Diligence Screening<sup>1</sup> [perhaps move to pre-screening]

Due Diligence Screening			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
Applicant does not produce, trade in, or promote the industries indicated. Nor does the entity intend to apply for a gTLD string representing an excluded industry	<p>Applicant does not produce, trade in, or promote the following industries. Nor does the applicant intend to apply for a gTLD string representing:</p> <ul style="list-style-type: none"> <li>• [Alcohol</li> <li>• Tobacco</li> <li>• Firearms/weapons</li> <li>• Gambling</li> <li>• Adult entertainment]</li> <li>• any product or activity deemed illegal under multiple jurisdictions or international conventions and agreements.</li> </ul> <p>Additional 2012 AGB Exclusions: Entity is engaged in activities that may be considered contrary to generally accepted legal norms relating to morality and public order that are</p>		<p>The aim is to reduce the risk of supporting an applicant that is misaligned with ICANN’s Core Values or the community’s intent for the program, or that presents significant reputational risk.</p> <p>ICANN’s Core Values relevant to ASP public responsibility due diligence:</p> <p><i>(ii) Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making to ensure that the bottom-up, multistakeholder policy development process is used to ascertain the global public interest and that those</i></p>

<sup>1</sup> These criteria are in addition to the Terms and Conditions that will be part of the Applicant Support Program application process.



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<b>Due Diligence Screening</b>			
<b>Criterion</b>	<b>Indicator(s)</b>	<b>Question / Document</b>	<b>Rationale / Sources</b>
	<p>recognized under principles of international law are:</p> <ul style="list-style-type: none"> <li>• Incitement to or promotion of violent lawless action;</li> <li>• Incitement to or promotion of discrimination based upon race, color, gender, ethnicity, religion or national origin, or other similar types of discrimination that violate generally accepted legal norms recognized under principles of international law;</li> <li>• Incitement to or promotion of child pornography or other sexual abuse of children; or</li> <li>• A determination that the entity produces or trades in activities would be contrary to specific principles of international law as reflected in relevant international instruments of law.]</li> </ul>		<p><i>processes are accountable and transparent;</i></p> <p><i>(iv) Introducing and promoting competition in the registration of domain names where practicable and beneficial to the public interest as identified through the bottom-up, multistakeholder policy development process;</i></p> <p>Though, some may see the public responsibility due diligence as inconsistent with the ICANN commitment:</p> <p><i>(v) Make decisions by applying documented policies consistently, neutrally, objectively, and fairly, without singling out any particular party for discriminatory treatment (i.e., making an unjustified prejudicial distinction between or among different parties)</i></p> <p>Examples of exclusion/due diligence screening lists from providers of financial support:</p>

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<b>Due Diligence Screening</b>			
<b>Criterion</b>	<b>Indicator(s)</b>	<b>Question / Document</b>	<b>Rationale / Sources</b>
			<a href="#">International Finance Corporation</a>  <a href="#">European Development Finance Institutions</a>  <a href="#">Africa Development Bank's Integrated Safeguards System</a>  <a href="#">Inter-American Investment Corporation</a>  Also see Appendix B.
Applicant is not affiliated with gTLD entities that would not meet the ASP criteria	Exclusion of affiliation with an existing gTLD Registry Operator and/or another gTLD applicant in the next round that would not meet the ASP criteria.		Definition of "affiliation" from the Registry Agreement: "For the purposes of this Agreement: (i) "Affiliate" means a person or entity that, directly or indirectly, through one or more intermediaries, or in combination with one or more other persons or entities, controls, is controlled by, or is under common control with, the person or entity specified, and (ii) "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of

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<b>Due Diligence Screening</b>			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
			the management or policies of a person or entity, whether through the ownership of securities, as trustee or executor, by serving as an employee or a member of a board of directors or equivalent governing body, by contract, by credit arrangement or otherwise.”

## Eligible Entities [formerly Public Interest Benefit category]

<b>Nonprofits, charities or equivalent:</b>			
Some governments endorse charities/nonprofits. Therefore, charitable status documentation may be submitted to demonstrate charitable/nonprofit status. In the absence of existing documentation demonstrating nonprofit/charitable status, alternative documentation may be required to assess equivalency.			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
1. Registered, recognized nonprofit, nongovernmental, and/or charitable organization with relevant regulatory authority	<ul style="list-style-type: none"> <li>Organizations within the United States (U.S.) must have a 501(c)(3) determination from the Internal Revenue Service (IRS)</li> </ul> <p><b>OR</b></p>		

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<p><b>Nonprofits, charities or equivalent:</b>                      Some governments endorse charities/nonprofits. Therefore, charitable status documentation may be submitted to demonstrate charitable/nonprofit status. In the absence of existing documentation demonstrating nonprofit/charitable status, alternative documentation may be required to assess equivalency.</p>			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
	<ul style="list-style-type: none"> <li>Applicant submits a formal document or certificate from relevant regulatory authorities acknowledging its charitable status. Additional documentation providing relevant governing and financial documentation in criteria b) through g) may be requested by ICANN org.</li> </ul>		
<p>2.i The organization must certify that it is organized for charitable purposes, and/or that local law requires it to operate exclusively for charitable purposes.</p>	<ul style="list-style-type: none"> <li>The organization must certify that it is organized for charitable purposes, and/or that local law requires it to operate exclusively for charitable purposes.</li> <li>Governing documents must describe purposes and powers.</li> <li>Governing documents must prohibit the organization from engaging in noncharitable</li> </ul>	<p>Governing documents and self-declared information provided by the organization</p>	<p><a href="#">NGO Source</a></p> <p>The term <b>charitable</b> is used in its generally accepted legal sense and includes relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening the burdens</p>

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Some governments endorse charities/nonprofits. Therefore, charitable status documentation may be submitted to demonstrate charitable/nonprofit status. In the absence of existing documentation demonstrating nonprofit/charitable status, alternative documentation may be required to assess equivalency.			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
	activities, except as an insubstantial part of its activities.		of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency. <a href="#">IRS</a>
2.ii The organization must operate exclusively for charitable purposes.	<ul style="list-style-type: none"> <li>The organization must certify that it is primarily engaged in activities that are charitable.</li> <li>The organization's governing documents (and actual activities) must support the same.</li> </ul>	<ul style="list-style-type: none"> <li>Governing documents and self-declared information provided by the organization</li> <li>Ancillary documents such as annual reports, program brochures, or websites may also be reviewed.</li> </ul>	<a href="#">NGO Source</a>
2.iii The organization must show evidence that its assets will be used for charitable purposes in perpetuity.	Nonprofit established at least 18 months prior to applying to the Applicant Support Program	<ul style="list-style-type: none"> <li>The organization must certify that on dissolution, its assets will be transferred for charitable purposes, AND</li> <li>The organization's governing documents or local law must support this.</li> </ul>	<a href="#">NGO Source</a>
2.iv Lobbying and politics	<ul style="list-style-type: none"> <li>The organization's activities cannot influence legislation</li> </ul>	<ul style="list-style-type: none"> <li>The organization must certify that it does not engage in</li> </ul>	<a href="#">NGO Source</a>

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<b>Nonprofits, charities or equivalent:</b> Some governments endorse charities/nonprofits. Therefore, charitable status documentation may be submitted to demonstrate charitable/nonprofit status. In the absence of existing documentation demonstrating nonprofit/charitable status, alternative documentation may be required to assess equivalency.			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
	("lobby") more than an insubstantial amount. • The organization cannot intervene in political campaigns for public office.	substantial lobbying or intervene in elections, AND • The organization's governing documents (and actual activities) must support the same. • Ancillary documents such as annual reports, program brochures, or websites may also be reviewed.	
2.v Private benefit	• The organization's activities cannot benefit private persons or noncharitable organizations. • Not an affiliate of a for-profit entity	• The organization must certify that its net assets do not benefit any private individuals or insiders, AND • The organization's governing documents (and actual activities) or local law must support the same	<a href="#">NGO Source</a>
2.vi Public support: to be considered a public charity, entity must show that at least one-third of its funding comes from "public" sources or as revenue earned from its charitable activities. Public sources meaning sources	• The organization should have at least 33 ⅓ percent public support (at least one-third of its support must be from "public" sources. • Public support is calculated over a five-year period. • In some instances if an	• Five fiscal years of financial information (does not need to be audited)  • If the organization is less than five years old, it must submit financial information from its date of formation	<a href="#">NGO Source</a>

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<b>Nonprofits, charities or equivalent:</b>			
<p>Some governments endorse charities/nonprofits. Therefore, charitable status documentation may be submitted to demonstrate charitable/nonprofit status. In the absence of existing documentation demonstrating nonprofit/charitable status, alternative documentation may be required to assess equivalency.</p>			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
<p>other than individual donors, companies, and private foundations.</p> <p>This does not apply to certain religious organizations, hospitals, medical research organizations, and educational institutions (universities or schools) that qualify as public charities; they do not need to meet minimum public support requirements.</p>	<p>organization has less than 33 1/3 percent public support but more than 10 percent, relevant facts and circumstances must establish that the organization operates similarly to a publicly supported charity.</p> <ul style="list-style-type: none"> <li>• If the organization is less than five years old, it must submit financial information from its date of formation (including a short year). It must also project financial information for the remaining years in order to provide a total of five years for the analysis.</li> </ul>	<p>(including a short year). It must also project financial information for the remaining years in order to provide a total of five years for the analysis.</p>	

<b>Intergovernmental Organization</b>			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
<p>Entity applying is an Intergovernmental Organization</p>	<ul style="list-style-type: none"> <li>• Intergovernmental Organization (IGOs) defined as:</li> </ul>	<p>Please submit required documentation to indicate the entity applying is an</p>	<p><a href="#">Library of Congress</a></p>

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	<p>“nation-state level organizations created by treaty or convention”<sup>2</sup></p> <ul style="list-style-type: none"> <li>Recognized by the United Nations as a specialized agency or organizations having observer status at the UN General Assembly.</li> <li><b>Optional:</b> Applicant has a .int domain name for a presently eligible IGO, demonstrating it is an IGO and verified through IANA.</li> </ul>	<p>Intergovernmental Organization, per the indicators provided.</p>	<p><a href="#">Intergovernmental Organizations, Harvard Law School</a></p> <p><a href="#">IANA .INT Policies &amp; Procedures</a></p>
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<b>Social Impact or Public benefit micro or small sized business [see Appendix on definitions and indicators]</b>			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
<p><b>Entity is a social enterprise, social impact* or public interest benefit** enterprise</b></p>	<p>As exemplified in the below indicators.</p>	<p>Please submit required documentation to indicate the entity applying is a social impact or public interest benefit enterprise, per the indicators provided.</p>	<p><a href="#">Maryland Benefit LLC</a>; <a href="#">UK Social Enterprise</a>; <a href="#">BC Centre for Social Enterprise</a>; <a href="#">BC Corporations Act</a></p> <p>*A business whose primary purpose is the common good as demonstrated through its legal founding documents and whose principal business</p>

<sup>2</sup> Library of Congress definition. See: <https://guides.loc.gov/public-international-law/international-governmental-organizations>



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<b>Social Impact or Public benefit micro or small sized business [see Appendix on definitions and indicators]</b>			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
			<p>activity is directly related to accomplishing that stated social or environmental purpose. <a href="#">LA County Consumer &amp; Business Affairs</a>; <a href="#">CauseLabs</a>; <a href="#">Social Enterprise UK</a></p> <p>**A public benefit corporation is a corporation created to generate social and public good, and to operate in a responsible and sustainable manner. <a href="#">Cornell Law. MA Benefit Corporation</a></p>
<p>Registered and recognized by a relevant regulatory authority in the company's principal place of business as a social enterprise or public benefit company</p> <p><b>OR</b> certified as a Benefit Corporation</p> <p><b>OR</b> meeting below criteria a) through c)</p>	<ul style="list-style-type: none"> <li>Incorporated/registered as a benefit or social enterprise in the entity's principal place of business</li> <li><b>OR</b></li> <li>Certified <a href="#">Benefit Corporation</a></li> </ul>	<p>Please submit required documentation to indicate the entity applying is a social impact or public interest benefit enterprise, per the indicators provided.</p>	
<p>a) Commitment, in legal founding documents to primary social or</p>	<ul style="list-style-type: none"> <li>Stated commitment, in legal founding</li> </ul>	<p>Please submit required documentation to indicate the entity applying is a social</p>	

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<b>Social Impact or Public benefit micro or small sized business [see Appendix on definitions and indicators]</b>			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
benefit purpose	<p>documents such as Articles of Incorporation, Articles, Notice of Articles, or equivalent, to primary social impact or public benefit purpose.</p> <ul style="list-style-type: none"> <li>• Company must exist for at least 18 months prior to submitting ASP application and report annual revenue.</li> <li>• Annual assessment reports publicly posted, listing social or public benefits provided in the previous year.</li> </ul>	impact or public interest benefit enterprise, per the indicators provided.	
b) Operations directed at pursuit of stated social or benefit goal/purpose	<ul style="list-style-type: none"> <li>• Selection of a third-party standard the public/social benefit the enterprise plans to measure itself against and a public statement to that effect.</li> <li>• Publicly stated rationale for selecting the chosen third-party standard.</li> <li>• Annual assessment report against the selected third-party standard</li> </ul>	Please submit required documentation to indicate the entity applying is a social impact or public interest benefit enterprise, per the indicators provided.	Example: <a href="#">MA Third-party standard definition</a> and <a href="#">Annual Benefit Report</a>

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<b>Social Impact or Public benefit micro or small sized business</b> <i>[see Appendix on definitions and indicators]</i>			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
	(self-assessment or third-party assessment).		
c) Financial surpluses primarily reinvested in the stated benefit purpose, rather than being primarily driven by the need to deliver profit to shareholders and owners	<ul style="list-style-type: none"> <li>• Documentation including annual reports, impact assessments, or case studies that indicate how financial surpluses are being used to fulfill the stated social or public benefit objectives.</li> <li>• Social or public benefit impact measurement and reporting that assess and quantify the social or public benefit outcomes achieved with the financial surpluses.</li> <li>• Ratio of surplus allocation indicates that a majority (&gt; greater than 60 percent of revenue or profits) went to programmatic activities aimed at achieving the entity's stated social or public benefit objectives.</li> </ul>	Please submit required documentation to indicate the entity applying is a social impact or public interest benefit enterprise, per the indicators provided.	<a href="#">OECD Library. Guidance on Legal Frameworks for Social Enterprises</a>  <a href="#">A Guide to Social Return on Investment</a>  <a href="#">B Lab Impact Business Model Scoring</a>
<b>Entity is a micro or small sized business</b>	<b>Entity must meet two out of three indicators (employees, assets, and sales)</b>	Please submit required documentation to indicate the entity applying is a micro or	<a href="#">IFC Definition of Targeted Sectors, MSME</a>

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<b>Social Impact or Public benefit micro or small sized business [see Appendix on definitions and indicators]</b>			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
		small enterprise, per the indicators provided.	<a href="#">OECD Data, Enterprises by Business Size</a>  <a href="#">Brookings Global Economy and Development</a> (p.5)
Micro, Small	Fewer than 50 employees Total Assets is less than 3 million USD Annual Sales is less than 3 million USD		

<b>Micro or small sized business from a less-developed economy</b>			
<b>Entity is a micro, small, or [medium] sized business (MSME)</b>	<b>Entity must meet two out of three indicators (employees, assets, and sales)</b>	Please submit required documentation to indicate the entity applying is a micro or small enterprise, per the indicators provided.	<a href="#">IFC Definition of Targeted Sectors, MSME</a>  <a href="#">OECD Data, Enterprises by Business Size</a>  <a href="#">Brookings Global Economy and Development</a> (p.5)
Micro, Small	Fewer than 50 employees		

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	<p>Total Assets is less than 3 million USD Annual Sales is less than 3 million USD</p>		
<p><b>Entity's principal place of business is from a country/territory/region that has a less-developed economy</b></p>	<p>MSME's principal place of business must be located in one of the following: Small Island Developing States (SIDS), Least Developed Countries (LDCs), Economies in Transition, or Developing Economies, as defined by UN Country Classifications (2022).</p> <p>Principal place of business is defined as "the place where 'a corporation's officers direct, control, and coordinate the corporation's activities.'"</p> <p>Determined as the location in which:</p> <ul style="list-style-type: none"> <li>● the largest volume of the corporation's operations is located; and</li> <li>● the largest number of the corporation's top executives is located.</li> </ul>	<p>Please submit required documentation to indicate the entity's principal place of business is in a less-developed economy, per the indicators provided.</p>	<p><a href="#">Legal Information Institute, Cornell Law citing U.S. Supreme Court decision</a></p> <p><a href="#">EASA Principle Place of Business</a></p>
	<p>51 percent or more of the company is owned by</p>	<p>Please submit required documentation per the</p>	<p><a href="#">Statistical Annex, Country Classifications, United Nations</a></p>

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	<p>residents from one or more of the following: Small Island Developing States (SIDS), Least Developed Countries (LDCs), Economies in Transition, or Developing Economies, as defined by UN Country Classifications (2022) as indicated by...[submitting identification/showing identification on a short video interview]</p>	<p>indicators provided.</p>	
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<b>Indigenous/tribal people's organization</b>			
Criterion	Indicator(s)	Question / Document	Rationale / Sources
<p>Entity is an indigenous/tribal peoples' organization.</p>	<ul style="list-style-type: none"> <li>● Official registration as an indigenous organization, certification from relevant authorities, and/or recognition by national or international indigenous rights organizations</li> </ul> <p><b>AND</b></p> <p>Applicant entity provides documentation to show:</p> <ul style="list-style-type: none"> <li>● Evidence of the Free, Prior and Informed</li> </ul>	<p>Please submit required documentation per the indicators provided.</p>	<p>UN IFAD Indigenous Funding</p> <p>Examples of funders of indigenous peoples organizations/communities that allow fiscal sponsors: <a href="#">NDN Collective</a>, <a href="#">First Nations Development Institute</a></p>

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	<p>Consent (FPIC) by the indigenous peoples' community/ies must be enclosed with the application form. This should be a letter of the beneficiary community signed by the leader/s and representatives of the community.</p> <ul style="list-style-type: none"><li>• The people providing consent to the project need to be the representing institutions of the communities where the project will be implemented, and their name, role, address and telephone number will need to be included on the FPIC document in order for ICANN and its partner organizations to verify the information with the indigenous peoples' communities. Consent is the expected outcome of the consultation, participation and collective decision-making process by the local</li></ul>		
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	communities. It is the mutual agreement reached, documented and recognized by all parties.		
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## Appendix A: Benefit/Social Impact Enterprise Definitions & Indicators

### Common characteristics of definitions

- Commitment, in legal founding documents (e.g., Articles of Incorporation, Articles, Notice of Articles) to primary social or benefit purpose
- Operations directed at pursuit of stated social or benefit goal/purpose
- Financial surpluses primarily reinvested in the stated benefit purpose, rather than being primarily driven by the need to deliver profit to shareholders and owners

### Example Definitions

- **"public benefit"** means a positive effect, including of an artistic, charitable, cultural, economic, educational, environmental, literary, medical, religious, scientific or technological nature, for the benefit of
  - (a) a class of persons, other than shareholders of the company in their capacity as shareholders, or a class of communities or organizations, or
  - (b) the environment, including air, land, water, flora and fauna, and animal, fish and plant habitats; ([BC Corporations Act](#))
- a benefit corporation must:
  - declare their commitment to creating general public benefit
    - i. (defined as a “material, positive impact on society and the environment, taken as a whole, as assessed against a third-party standard, from the business and operations of a benefit corporation.”), and
  - in some cases may be required to declare a specific benefit that the business produces. ([Maryland Benefit LLC](#))
- The term “Social Enterprise” describes the purpose of a business, not its legal form. It is defined (by Government) as “a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the

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community, rather than being driven by the need to maximise profit for shareholders and owners". Legal Forms for [UK Social Enterprise](#) (LLC, CIC, unincorporated, incorporated, etc.)

- Benefit companies are for-profit companies that make a commitment to conduct their business in a responsible and sustainable manner, while promoting one or more public benefits. This means carrying on the company's business in a manner that takes into account the well-being of persons that are affected by the company's operations and endeavouring to use a fair and proportionate share of available environmental, social and economic resources and capacities. To be considered a public benefit under the BCA, the matter promoted must create a positive effect for:
  - a group of persons other than the shareholders of the company;
  - a group of communities or organizations; or
  - the environment.
  - Positive effects can be of, but are not limited to, an artistic, charitable, cultural, educational, literary, medical, religious, scientific or technological nature. ([Fasken, BC Benefit Companies](#))
- A social economy enterprise operates like a business, produces goods and services for the market, but manages its operations and redirects its surpluses in pursuit of social and environmental goals. (from Western Economic Diversification).
- Social enterprise applies an entrepreneurial approach to addressing social issues and creating positive community change. [BC Centre for Social Enterprise](#)
- A social enterprise is a business that uses entrepreneurial methods to accomplish social goals and/or feed profits to a parent charity or non-profit to enable it to fulfill more of its own social mission. [BC Centre for Social Enterprise](#)
- A social enterprise is a revenue-generating business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners. [BC Centre for Social Enterprise](#)

### Common characteristics of Indicators

- Stated commitment, in legal founding documents (e.g., Articles of Incorporation, Articles, Notice of Articles) to primary social or benefit purpose
- Selection of a third-party standard the public/social benefit enterprise plans to measure itself against and public statement to that effect.
- Publicly stated rationale for selecting the chosen third-party standard.
- Annual assessment report against the selected third-party standard (self-assessment or third-party assessment).

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- Annual assessment report shared with shareholders and publicly posted.

### Example Indicators

1. “This company is a benefit company and, as such, is committed to conducting its business in a responsible and sustainable manner and promoting one or more public benefits.”

(2)A benefit company must include in its articles a provision that

(a)specifies the public benefits to be promoted by the benefit company, and

(b)sets out the following commitments:

(i)to conduct the benefit company's business in a responsible and sustainable manner;

(ii)to promote the public benefits specified in paragraph (a).

The directors of a benefit company must, for the purposes of preparing a benefit report, annually

(a)select a third-party standard, and

(b)assess against the third-party standard, for the most recently completed financial year, the performance of the benefit company in carrying out the commitments set out in the benefit company's benefit provision. ([BC Corporations Act](#))

2. To ensure business accountability to creating material positive impact, the benefit corporation form:
  - requires directors to consider society and the environment...
  - provides shareholders with a private right of action to ensure their social impact investments are functioning according to the new purpose.
  - required to produce an annual Benefit Report, which is assessed against a third party standard. The statute describes the parameters of what to look for when picking a standard for the basis of the report.
  - requires that annual benefit reports be made public and shared with shareholders.
  - some states require that the benefit report be filed with or submitted to the state.
3. A test for a traditional business that believes it is operating a social enterprise: to what degree do social / environmental goals steer your ship? If profit is paramount (and particularly if individual owners or shareholders are personally benefitting), you

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may be engaging in socially conscious purchasing or corporate social responsibility, rather than operating a social enterprise. ([BC Centre for Social Enterprise](#))

4. BC companies can become benefit companies on incorporation or by changing their Articles and Notice of Articles, the main corporate charter documents. This requires approval by a special resolution of the shareholders (typically at least 2/3 of the votes cast). In either case, the charter documents must contain the following:
  - a benefit statement in the Notice of Articles disclosing to the public that the company “is a benefit corporation and, as such, is committed to conducting its business in a responsible and sustainable manner and promoting one or more public benefits”; and
  - a benefit provision in the Articles specifying the public benefits to be promoted and making a commitment consistent with the benefit statement.

Once recognized, a BC benefit company must annually assess its performance with respect to its public benefit commitments against a third party standard and publish a benefit report for its shareholders. If the company maintains a publicly accessible website, it is required to post the benefit report on its website. Further, the annual benefit report must be approved by the directors of the benefit company and include:

- a fair and accurate description of the manner in which the benefit company has operated in accordance with the benefit provisions;
- a record and the results of its benefit assessment;
- disclosure of any circumstances that hindered the company’s efforts to carry out the commitments in the benefit provisions; and
- a description of the process and rationale for choosing or changing a particular third party standard of assessment and a statement alerting the reader whether the third party standard is applied consistently or not, and describing the reasons for any inconsistency. ([Fasken, BC Benefit Companies](#))

## Appendix B: Examples of Rationale Behind Due Diligence Screening/Exclusion Lists from Providers of Financial Support

### Public Responsibility Due Diligence Rationale Examples

#### **UN Principles for Responsible Investment**

<https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment>

Signatories' Commitment includes:

“As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

We also recognise that applying these Principles may better align investors with broader objectives of society.”

#### **UN Principles for Responsible Investment – Screening**

<https://www.unpri.org/introductory-guides-to-responsible-investment/an-introduction-to-responsible-investment-screening/5834.article>

Responsible investment involves considering environmental, social and governance (ESG) issues when making investment decisions and influencing companies or assets (known as active ownership or stewardship).

Screening uses a set of filters to determine which companies, sectors or activities are eligible or ineligible to be included in a specific portfolio. Screening is one of several widely used tools that investment managers or asset owners can use to implement a responsible investment policy across their investments. Screening helps to reflect values outlined in a mission statement or purpose or to reflect a general approach taken by an organization. For example, a health care foundation might choose to exclude tobacco investments due to tobacco's negative impact on health.

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Common exclusions include activities such as: alcohol, tobacco, gambling, adult entertainment, military weapons, fossil fuels, nuclear energy

Negative screening represented US\$19.8 trillion assets under management globally in 2018.

### **OECD Responsible Business Conduct for Institutional Investors: Key Considerations for Due Diligence under the OECD Guidelines for Multinational Enterprises**

<https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

By carrying out due diligence in line with the OECD Guidelines, investors will not only be able to avoid negative impacts of their investments on society and the environment, but also avoid financial and reputational risks, respond to expectations of their clients and beneficiaries and contribute to global goals on climate and sustainable development. Increasing, failing to consider long-term investment value drivers, which include environmental, social and governance issues, in investment practice is seen to be a failure of fiduciary duty. Since the introduction of the Paris Climate Agreement in 2015, investors have been facing increasing expectations to manage climate risks in their portfolios. International financial institutions have also signalled plans to mobilise USD 400 billion towards achieving the Sustainable Development Goals (SDGs). Strong due diligence processes can help ensure that investments are put towards projects and companies that behave responsibly and ultimately help achieve the objectives of the SDGs.

### **European Development Finance Institution (EDFI)**

[https://edfi-website-v1.s3.fr-par.scw.cloud/uploads/2017/09/EDFI-Responsible-Financing-SDG\\_Principles\\_final\\_190515-1.pdf](https://edfi-website-v1.s3.fr-par.scw.cloud/uploads/2017/09/EDFI-Responsible-Financing-SDG_Principles_final_190515-1.pdf)

EDFIs invest to make a significant contribution towards the Sustainable Development Goals (SDGs) and the Paris Climate Agreement. We invest with the aim of having a positive impact, and we strive to ensure respect for human rights, and environmental and social sustainability. Responsibly managed private sector enterprises, supported by EDFI members, play a vital part in achieving sustainable development: they create jobs, boost growth, and fight poverty and climate change. Such businesses also set an example for other private enterprises.

### **IDB Environmental and Social Policy Framework**

<https://www.iadb.org/en/news/idb-approves-new-environmental-and-social-policy-framework>

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Moreover, an exclusion list now identifies activities that the IDB will not finance because they could adversely impact people and the environment, or because they are inconsistent with the IDB's commitment to addressing climate change and promoting environmental and social sustainability.

### **European Bank for Reconstruction and Development**

<https://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>

1.1 EBRD's responsibilities are consistent with its role as an international financial institution providing financing for projects approved by EBRD. With respect to any particular investment or technical co-operation project, the level of EBRD's engagement is determined by the nature and scope of the project, availability of donor funding, as well as the specific circumstances of the collaboration and relationship with the client.

1.2. EBRD may refrain from financing a project on environmental or social grounds. There are several types of activities that EBRD does not finance in accordance with the EBRD Environmental and Social Exclusion List, included as Appendix 1 to this Policy.

### **European Investment Bank**

[https://www.eib.org/attachments/publications/eib\\_eligibility\\_excluded\\_activities\\_en.pdf](https://www.eib.org/attachments/publications/eib_eligibility_excluded_activities_en.pdf)

All of the projects the EIB finances contribute to one or more of the four primary public policy goals: sustainable cities and regions; sustainable energy and natural resources; innovation, digital and human capital; and SMEs and mid-cap finance. The public policy goals, as amended over time, seek to ensure that projects contribute to our statutory mission to pursue EU priorities and objectives. Activities not consistent with one of the Bank's primary public policy goals do not qualify as eligible for EIB investment. Examples of ineligible investments include general purpose real estate finance, financial and insurance activities, and pure financial transactions not associated with additional capital expenditure (such as mergers and acquisitions).

### **Morgan Stanley Global Balanced Sustainable Fund**

[https://www.morganstanley.com/im/publication/msinvf/material/esg\\_exclusionpolicy\\_msinvf\\_globalbalancedsustainablefund.pdf](https://www.morganstanley.com/im/publication/msinvf/material/esg_exclusionpolicy_msinvf_globalbalancedsustainablefund.pdf)

Our exclusions process intends to avoid investment in issuers that are not aligned with our core investment principles or our sustainable investing philosophy, and to screen out securities of issuers that are found to be in breach of minimum standards of responsible business practice, based on international norms.

### **JP Morgan**

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<https://am.jpmorgan.com/no/en/asset-management/per/investment-themes/esg/what-are-the-different-approaches-to-sustainable-investing/>

Exclusionary strategies were the earliest approach to sustainable investing, emerging from religious investment approaches that required the exclusion of prohibited investments, such as gambling and alcohol stocks. Today, many funds include restrictions on the ability of a fund manager to buy assets related to certain industries, such as weapons, tobacco, thermal coal extraction, unconventional oil and gas extraction, alcohol, and adult entertainment. These restrictions may be aligned with international norms that establish minimum standards of business practice, or may reflect the values of individual investors or groups of investors.