

## **SECTION III: APPLICATION CRITERIA AND REQUIREMENTS**

The Internet is a global resource, and the diversity, competition and innovation made possible by the new gTLD program should provide an inclusive opportunity for all to participate. The Applicant Support Program, conceptualized by ICANN volunteers through the Joint Applicant Support Working Group, seeks to serve the global public interest by ensuring worldwide accessibility to, and competition within, the new gTLD program.

This section provides an explanation of the criteria that will be used in this first round program to identify candidates who merit a reduction in their application fees. By establishing clear criteria and a transparent review process, ICANN aims to help ensure that it directs limited funds to those applicants and projects that demonstrate need and benefit the public interest.

### **1. CRITERIA OBJECTIVES**

The Applicant Support Program is designed to provide financial support to deserving applicants in order to reduce barriers posed by the application fees.

ICANN already has detailed technical and operational criteria to evaluate and select candidates capable of running a registry and who will preserve the stability and interoperability of the Internet. Furthermore, all applicants for ICANN financial support will already have had to complete the new gTLD application – requiring clear demonstration of technical, operational and financial capabilities to execute their projects.

The Applicant Support Program does not relax existing criteria for a new gTLD, but would measure interested new gTLD applicants against additional criteria to identify those who best demonstrate: (1) service in the public interest; (2) financial need; and (3) minimum financial capabilities. New gTLD applicants found to best meet these criteria will be awarded a significant reduction in their application fees.

### **2. CRITERIA EXPLANATION AND EVALUATION PROCESS**

The following section provides detail about eligibility, the Applicant Support Program criteria and the types of information that may be provided by applicants to demonstrate their qualifications for the Applicant Support Program.

#### **a. Establishing Eligibility**

All applicants requesting support through the Applicant Support Program first will undergo a review to determine eligibility for the Applicant Support Program. Candidates applying for the following will be excluded from consideration if they are:

- applying for a gTLD string that is intended to reference a trademarked brand;
- a national or federal governmental entity or an entity with controlling interest by a national or federal government;
- applying for a gTLD string that is a geographic name as described in the Applicant Guidebook;

Only one support application for any entity or affiliate of that entity will be considered. So while an entity may apply for multiple TLDs, it is allowed only one support application.

Eligible candidates will be required to pay a \$47,000 application fee at the time of application submission.<sup>1</sup>

All applicants who meet these initial eligibility criteria and who pay the \$47,000 application fee are then separated into the Applicant Support Program review process.

#### **b. Criteria Overview**

Based on the recommendation of the Joint Applicant Support Working Group, candidates will be evaluated against three criteria sets:

- **Public Interest Benefit** (to prioritize funds for those projects that would offer demonstrable benefit to the public or suitable community group).
- **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); and
- **Financial Capabilities** (to help ensure those receiving funding will be able to manage those funds and execute projects if successful).

The sequence of criteria reflects the order in which they should be assessed by the panel because the first test is core to the goal of new gTLDs Applicant Support Program.

#### **c. Evaluation and Scoring**

The scoring of the three main criteria will be performed by an independent Support Application Review Panel (SARP) based on information provided in the Applicant Support application. The SARP may also rely on the ICANN new gTLD Application, public comments, and independent research, if deemed desirable to reach informed scoring decisions. The criteria are, to a certain extent, subjective. That subjectivity is deemed necessary to enable the SARP to reach a fair result and provide the discretion to interpret the information provided to it in the best light. While efforts have been made to systematize the scoring process, interpretation of the criteria is at the sole discretion of the SARP.

All applicants to the Support Program will have already completed the new gTLD application. Guidance has been provided when components of standard application materials might also be applied to its Support Program application.

Notice: SARP panelists might have access to certain non-confidential standard ICANN application materials. The SARP's objective is to establish whether applicants meet the financial support criteria— but not to weigh relative merits of overall gTLD applications. Therefore, the SARP may arrive at different conclusions than ICANN review panels when evaluating similar

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<sup>1</sup> Refunds can be obtained in certain circumstances: conditions for refunds of that fee can be found in the Applicant Support Process document.

documentation since different objectives, criteria and review processes will be the basis for its evaluations.

### 3. CRITERIA AND SCORING

The following are the criteria for the Application Support Program. The criteria is used both as a threshold and to rank qualifying applicants.

As stated in the Applicant Support Process document Support applicants first have to meet a threshold score to qualify for financial aid and keep their new gTLD application active. If the threshold is not met, the new gTLD application will be rejected. Those meeting the threshold will then be rank ordered using the same criteria.

To meet the threshold, support applications must score:

- 5 of 9 points on the first criteria set,
- 3 of 5 points on the second criteria set, and
- 1 of 2 points on the third criteria set.

The threshold is set high to discourage abuses as recommended in the Joint Applicant Support Working Group Report.

#### **Criterion #1 - Public Interest (0-9 points; minimum score required: 5)**

Applicants will receive points as indicated for demonstrating each of the following public interest criteria. Applicants should indicate on their application for funding support which criteria they believe their application meets. Applicants do not need to meet all criteria, but priority will be given to those who are scored the highest.

- **Community based project (0-1 point)**
  - The ICANN Applicant Guidebook specifies that each applicant must declare if its application is a community-based project. Applicants for financial support that also have indicated that a project is community-based will be evaluated by the SARP teams against the four Community Priority evaluation criteria found in [Module 4 of the Applicant Guidebook](#): community establishment, nexus between proposed string and community, registration policies, and community endorsement. Rather than following the strict scoring methodology in the Applicant Guidebook, the SARP will perform a high level review to determine whether the applicant generally meets those criteria. Applicants that generally meet the criteria in the four tests will be given 1 point. Applicants that do not meet this threshold will receive 0 points.

It is important to note that while the SARP and the ICANN new gTLD evaluation panels are using similar criteria in certain cases, the SARP's objective is to identify those applicants most worthy of financial support to help reduce barriers to entry for the ICANN application process, not to evaluate an applicant's new gTLD application. Some applicants that receive funding support may not ultimately be successful with their new gTLD applications. Given that

the SARP's priority is to identify those candidates that meet public interest priorities and not to address a contention set, the SARP will be given instructions to be more liberal in its interpretation of the Community Based priority criteria. In this regard, SARP findings related to community-based projects may be somewhat inconsistent with the Guidebook described Community Priority Evaluation that the financial aid applicant may later face.

- **Public interest benefit including support for distinct cultural, linguistic or ethnic communities (0-1 point)**
  - The applicant support program targets those applications that provide benefit to the public interest. Those applications that support distinct cultural, linguistic or ethnic communities in a way that demonstrates a benefit to the public interest, enhances the public good, or promotes the general welfare will be given priority. Applicants who meet the community-based application threshold might also receive points under this criterion. However, some applicants not designating their applications as community-based applications, might still offer benefit for a distinct cultural, linguistic or ethnic community. For example, this might include groups with geographically dispersed diasporas or linguistic minorities protected by certain treaties. Applicants who demonstrate how their project will benefit such communities and serve the public interest will receive 1 point. Applicants may provide documentation already prepared to support their answer to Question 18 (Mission/Purpose) in the ICANN new gTLD application, but may also provide supplemental documentation as appropriate.
- **Service in an under-served language, the presence of which on the Internet has been limited (0-1 point)**
  - Candidates applying for a string that is providing build-out of a language or script whose web presence is limited will be given priority for funding support. This may include smaller script communities whose scripts are very limited on the web and communities that regularly use more than one script but might otherwise face challenges with the build out of two scripts. Applicants that provide data or other documentation demonstrating the lack of presence of their language on the Internet and how their project will support that language presence will receive 1 point.
- **Operation in a developing economy (0-2 points)**
  - Applicants from developed countries may apply, but priority will be given to those from developing economies. Evaluation will be based on the expected beneficiary community of the project and not the location of the back-end operations. Applications from or benefitting Least Developed Countries, Landlocked developing countries, and Small Island Developing States based on the listing of the UN Department of Economic and Social Affairs (UNDESA) will receive 2 points. Applications from or benefitting indigenous peoples as described in Article 1 of Convention No. 169 of the International Labour Organization and the UN Declaration on the Rights of Indigenous Peoples will receive 2 points. Applications from or benefitting those from the UNDESA list of Developing Countries, who are not LDCs, LLDCs or SIDS, will receive 1 point.

Applicants from all other (developed) countries and who are not Indigenous Peoples will receive 0 points.

- **Advocated by non-profit, civil society and/or non-governmental organizations in a manner consistent with the organizations' social service mission(s) (0-1 points)**
  - An applicant may demonstrate benefit to the public interest through support for their project from local or partner organizations such as non-profit, civil society, and/or non-governmental organizations. Applicants may meet this requirement by providing letters of support from such organizations that indicate how the proposed project would further the organization's social service mission or benefit the public interest; and evidence of gTLD project partners or donors/funding sponsors whose mission is aligned with the public interest.
  
- **Operation by a not-for-profit organization (0-2 points)**
  - Priority will be given to entities that are not formed as conventional for-profit businesses – i.e., non-governmental organizations, non-profit entities, civil society organizations, foundations, trusts, mission-based organizations, etc. Non-profit organizations and similarly organized entities are eligible for 2 points; other organizations such as public-private partnerships, and hybrid entities (e.g. those that are profit/non-profit) are eligible for 1 point.
  
- **Operation by a local entrepreneur or not-for profit organization in a developing economy providing demonstrable social benefit (0-1 points)**
  - While the applicant support program is not intended to be used as a substitute for conventional business risk, there is value in providing some support to entrepreneurs or non-profit organizations from developing countries whose project provides a demonstrable social benefit but who are unable to execute their project without funding support. The applicant can demonstrate that its project will provide social benefit including, but not limited to: (1) providing investment in the skill base of the target community; (2) fostering gender balance and the presence of minorities in the target community; (3) providing a positive contribution to the national or regional economy of its operation. Applicants will receive 1 point if able to document such social benefits.

**Criterion #2 – Financial Need (0-5 points; minimum score required: 3 points)**

A maximum of 5 points is possible on the Financial Need criterion. Applicants will be required to submit materials to detail various constraints that affect their ability to acquire and implement a gTLD without assistance.

As measured by:

- **Operational Environment (0-2)**
  - A complete answer demonstrates why the applicant may have limited access to funding and specific environmental factors that have caused constraints to raising initial capital to pay for fees. The applicant may provide letters from other funding organizations that have considered requests for support on this or

other efforts. A response will merit a 2 if its assertions are substantiated with documentation specific to the gTLD project application and its lack of ability to raise funds for the application fee or other initial expenses. A response will merit a 1 if the applicant generally describes a challenging operational environment, but does not have documentation specific to the financial aspects of its project. A response that does not provide adequate justification for why its operational environment poses a challenge to raising the financial capital to support its application or project is given 0 points.

- **Organizational size (0-1)**
  - Small and medium sized organizations often face specific challenges in obtaining sufficient human and financial resources to carry out their business or organizational mission. Moreover, these organizations may face disproportionate costs in meeting the administrative burden required by completing the ICANN gTLD application. To help address this barrier, the Applicant Support Program will give priority to small and medium sized organizations when evaluating applications. Small and medium sized organizations, not associated with a larger parent entity, will be given 1 point.
- **Project budget and funding resources (0-1)**
  - In order to complete its ICANN gTLD application, the applicant must provide financial projections that demonstrate a sustainable business (even if break-even is not achieved through the first three years of operation). Applicants to the Applicant Support Program should provide a narrative to correspond with their Financial Projections and their description of funding and revenue sources to identify where ICANN financial support would assist in ensuring sustainable operations or mitigating any projected risks. Applicants should provide tabular information on operational expenses and other relevant data that is also provided in their gTLD application. Applicants may also include letters from donors who may be promising project funding if the gTLD application is successful, but which may point to a lack in the initial start up funding to pay the \$185,000 application fee. Applicants who clearly identify why financial support would help to improve their financial projections or mitigate any potential risks will be given 1 point. Applicants whose financial projections exhibit funding needs (or whose projections demonstrate inadequate start up capital and three years of sustainable operations) will be given 0 points.
- **Outreach for financial support (0-1)**
  - Applicants that have taken the extra steps to seek additional funding or create partnerships that could lead to additional support such as through matching grants or guaranteed loans or payments will be considered for an additional point. The applicant may provide letters from other organizations that have considered requests for support on this or other efforts. A response will merit one point if its assertions are substantiated with documentation specific to this project, otherwise no points will be awarded.

**Criterion #3 Financial Capabilities (0-2 points; minimum required score 1 point)**

- **Basic financial capability (0-1) to operate an ongoing concern of the proposed registry**
  - While an applicant’s project should demonstrate some level of need as described above, the applicant must also demonstrate basic financial capability to operate an ongoing concern of the size and complexity of a proposed registry through demonstrating managerial capabilities and financial resources. Applicants should provide a summary of their qualifications in meeting Questions 45-47 in the ICANN gTLD application section on basic financial capability. Applicants should provide emphasis on demonstrating their ability to manage an organization and finances relative to the size of their project. Those meeting the requirements are given 1-2 points, at the discretion of the SARP. Those who fail these requirements are given 0 points.
  
- **Previously executed projects (0-1 point)**
  - Applicants with proven results in managing organizations and projects of this complexity in the past will be given priority. Applicants who provide documentation citing previously managed and operated programs either by the organization or its key personnel will be given 1 point.

**Award Decisions**

In the case that available funding cannot meet all *bona fide* requests (i.e. request that meet the threshold scoring requirement) , the scoring system enables the SARP to rank and prioritize eligible applications and award financial aid to those determined to best meet the three criteria. Once the highest scoring candidates have been identified, the SARP also will work to ensure diversity in its final funding decisions across areas such as language, script, cultures, business models, and regions to ensure that those who receive the fee reduction will tend to most amplify the benefit.

A relatively high score threshold has been established to identify those who do not meet basic financial need and public interest benefit criteria and in order to help mitigate potential for gaming. Those candidates that meet the established need/public interest threshold, but who do not score highly enough to benefit from ICANN Financial Support will be given an opportunity to pay the balance of the \$185,000 application fee and proceed forward into Initial Evaluation.