

2018-03-29 CCWG new gTLD Auction Proceeds Meeting

Please find the meeting information below for the CCWG New gTLD Auction Proceeds call on **Thursday, 29 March 2018 at 14:00 UTC for 90 minutes.**

07:00 PDT, 10:00 EDT, 16:00 Paris CEST, 19:00 Karachi PKT, 23:00 Tokyo JST, (Friday) 01:00 Melbourne AEDT

For other times: <https://tinyurl.com/y9jgodoe>

PROPOSED AGENDA

1. Roll Call
2. Welcome / SOI & DOI Updates
3. Exchange with external experts (Russell Haworth, Nominet)

(See: [https://community.icann.org/display/CWGONGAP/Questions+for+external+experts\[community.icann.org\]](https://community.icann.org/display/CWGONGAP/Questions+for+external+experts[community.icann.org]))

4. Review of the Work Plan

(See: e-mail sent out by co-chair Erika Mann, and included in attachment)

5. Confirm next steps & next meeting

BACKGROUND DOCUMENTS

[Work plan and approach for dealing with charter questions - upd 22 March 2018](#)

RECORDINGS

[Mp3](#)

[Transcript](#)

[WebEx Chat](#)

PARTICIPATION

Attendance

Invited Guests: Russell Haworth, Nick Wenban-Smith

Apologies: Sebastien Bachollet, Judith Hellerstein, Jon Nevett, John Levine

Notes/ Action Items

Notes and Action Items – new gTLD Auction Proceeds CCWG Meeting on Thursday 29 March 2018

These high-level notes are designed to help the CCWG navigate through the content of the call and are not meant as a substitute for the transcript and/or recording. The MP3, transcript, and chat are provided separately and are posted on the wiki at: <https://community.icann.org/x/DLHDAw>.

Roll Call:

- Attendance will be taken from audio bridge and Webex
- Remember to state your name before speaking for transcription purposes and to mute your microphone to avoid background noise.

SOI/DOI updates:

- Erika Mann - DOI update forthcoming

Exchange with external experts: Russell Haworth, Nominet

Why did Nominet originally set up the Nominet Trust?

- As a ccTLD, Nominet has been very much focused on public benefit. Decision made by the Board that in order to meet the public benefit goals, an independent organization should be created to take surplus and look at how to allocate grants via the trust to individual companies / organizations to do effectively public good with a technology bias. Could have done it at the time in-house or set up a trust - benefit of a trust, at least in the UK, there are some tax advantages. This may be distinct from ICANN situation as it deals with a lump sum, compared to regular fund allocation by Nominet. Trust set up in 2008 - relationship between Nominet and Nominet Trust, Nominet provided 3 million pounds per year. Board of Nominet Trust - board of trustees, a number of which could be from Nominet but independent so that it could develop its own strategy and decide how to allocate grants. Built itself out over the years to be the leading UK social tech investor. Started out providing grants to smaller organizations which had a big impact. Over the years, a number of mechanisms were developed that companies receiving investment need to measure social impact. Also working with larger charitable organizations.

Question (Q): how do the foundation mission relates to the Nominet mission? Area of social tech is very broad, wanted to focus the trust on increasing digital skills, security and getting more people online. The more people online, the more people theoretically would want a .uk name, similarly to keeping secure name space, more vibrant online community. CCWG may have some limitations with regards to focus / mission due to fiduciary / legal requirements. Did Nominet have any similar limitations? Legal independence between Nominet and the Nominet Trust.

- Nominet wants to evolve as an organization. Has reached a level of maturity - looking at diversifying revenue streams beyond domains. Goal is to positively impact society - connected, inclusive and secure are objectives. Why was decision made to bring the trust inside? Trust has done amazing things, Nominet has given 40 million pounds. Is leading tech investor / grant giver in the UK. Has bigger plans and ideas - Nominet Trust to evolve its strategy to impact the social technology space beyond what Nominet is focused on. They will now look into bringing in other partners and growing the trust - likely to change branding / name. Nominet to look for skills in-house to appropriate funds and to impact society in line with its mission. Wanted to have more control how funds are appropriated which is more difficult if there are two separate legal structures place.

Q: Can Nominet also allocate funds outside of the UK or only inside of the UK?

Principally looking at the UK, but obviously Internet is international so they may look at projects outside of the UK.

Q: What are the lessons learned from the external trust that will help bringing this in-house and bringing it closer to the Nominet mission?

Better insight into what types of projects have the most social impact, as well as type of organizations that were more successful. Experience build up in the team that was codified via a number of different applications and tools. Opportunity to learn from Nominet Trust impact and how to apply these to the three Nominet pillars. Brought in one of the Nominet Trust employees into Nominet to bring some of the knowledge and expertise in-house. Different financial instruments that can be considered - Trust only focused on grants, but Nominet can now also look at other debts instruments (equity, etc.) Mission for grant allocation should be the first step, especially if a separate organization is created. Should have cross-over with ICANN but equally have its own objectives, otherwise you will not be able to fairly allocate funds. Independent evaluators could ensure that no undue pressure is applied?

Q: What have you learned in relation to fund allocation, evaluation?

If core mission is not fund allocation, should outsourcing be an option? At the same time, cost may indicate that in-house is a better option? Two principal reasons for bringing in-house: without having a separate board, Nominet can more closely control the dial-up and dial-down for how funds are allocated, also no separate infrastructure needed as it can be managed in-house; also allows Nominet the flexibility to allocate more or less to one of the pillars (quantum and cadence control).

Q: how many grants can a Project Officer manage? How much does this number depend on the size of the individual grants? Nominet did 3 million pounds a year - overall 10 staff, 4-5 evaluating projects and probably looking at 20 grants a year. Around 500 applications a year, around 20 grants given of between 250,000 and below.

Q: what was the main argument for insourcing the trust? 1) cost base of having a separate governance structure (note that Board of trustees was unpaid), 2) wanted to tie fund allocation to Nominet three pillars, 3) people in the Nominet organization felt connected to public benefit.

Q: who makes final decision on fund allocation? In Nominet Trust, each grant was granted by the Trust Board. In new situation, below certain amount it would be CEO, above certain amount, Nominet Board. Working through a framework establishing criteria for fund allocation. In ICANN world this might be considered interference if it would have an ultimate say in fund allocation and ability to change recommendations of independent evaluators. Note that framework should set clear guidance in that regard.

CCWG may need to review whether mechanisms being considered, if there needs to be an evaluation board in case conflict arises?

Action item #1: CCWG to share any follow up questions it may have for Russell with the mailing list.

Q: Can ICANN oversee / allocate funds outside the US? Other than purely operational and logistical considerations, there wouldn't be any issues for ICANN to oversee/monitor grants anywhere in the world.

Review of the revised Work plan:

- See message circulated by Erika yesterday (<https://mm.icann.org/pipermail/ccwg-auctionproceeds/2018-March/000844.html>). Based on the target of delivering an Initial Report by ICANN61, a revised work plan has been developed which would require weekly CCWG meetings. CCWG members and participants are expected to indicate if they are not in a position to commit to this revised work plan.

Action item #2: CCWG members and participants to review proposed work plan and communicate by Wednesday 4 April if they are not able to commit to the work plan as outlined.

Confirm next steps & next meeting

- Next week's meeting will be tentatively scheduled for next Thursday 5 April at 14.00 UTC, but whether the call will go ahead will depend on availability of EIB/European Commission experts. Their availability may not be confirmed until early next week. Staff will confirm as soon as possible whether the call will go ahead or not.