

An ICANN Endowment Fund for a Globalized Internet (*working title*)
(NPOC ExCom, January 6, 2015)

ICANN has long professed a desire to better assist underserved and marginalized populations in terms of their presence in the global Internet ecosystem. Within its remit, ICANN has undertaken a number of strategies ranging from the ICANN Fellowship program and new gTLD incentives, to outreach events designed to acquaint and equip stakeholder groups, including existing and potential registries and registrars, to better engage with the Internet ecosystem. ICANN's various commercial and non-commercial stakeholder groups also routinely conduct similar outreach within their own communities.

ICANN would like to do more, and have a greater impact, and ICANN has a potential source of funding to support such efforts. ICANN gTLD auctions are producing modest funds that have nominally been earmarked for ICANN "*good works*", but without much attention paid to how that might be done.¹

With modest funds earmarked for ICANN "*good works*" there are two strategic questions:

- First, what principles should guide the uses (the "*good works*") to which the funds are put?
- Second, what mechanisms should operate to manage the funds and funding allocation?

The question regarding the principles guiding what activities should be targeted for funded can be approached in one of two ways. This could be decided within an ICANN Board lead discussion, or it could be arrived at as an ICANN community consensus using a process similar to the Policy Development Process (PDP). The advantage of a PDP process, possibly including a Charter-like focus prior to the PDP, would be greater awareness, broader consultation, and wider buy-in. Either way calls for a process.

Regarding the mechanisms for how the funding allocation should be handled it would be wise to consider placing the funding in an *endowment fund*. That would result of smaller disbursements over a longer time period, greater possibilities for learning-while-doing and greater sustainable impact.

As for how an endowment fund would be handled, ICANN itself is poorly structured to administer an endowment fund and it would not be a wise use of ICANN resources to try to develop that "in-house" capacity. Instead, ICANN could enter into an endowment management relationship with an appropriate existing foundation, much the way smaller endowments are handled by *Community Foundations* at the community level. ICANN would set the terms of reference for applying for and awarding grants, with some ICANN oversight and with some direct ICANN participation in the selection process.

There are two parts to the identification of suitable mechanisms to administer the endowment fund and make allocations based on ICANN's specified principles and objectives. The first is administrative capacity and there are numerous U.S. and global foundations with the necessary administrative capacity. The second part is the constitution of the grant awards committee. That committee could be constituted with representatives from a wider global constituency of entities aligned with the mission and vision of the endowment fund, and should include designated ICANN representation.

With modest auction funding already accumulated it is time for ICANN to address the issue of how best to use those funds.

¹ Given the terms of reference for new gTLDs, ICANN does not raise as much as it could from the auctions of gTLDs where there are competing applicants. The applicants have devised private auctions to decide on the winning applicant, with auction proceeds going not to ICANN but to the losing applicants.