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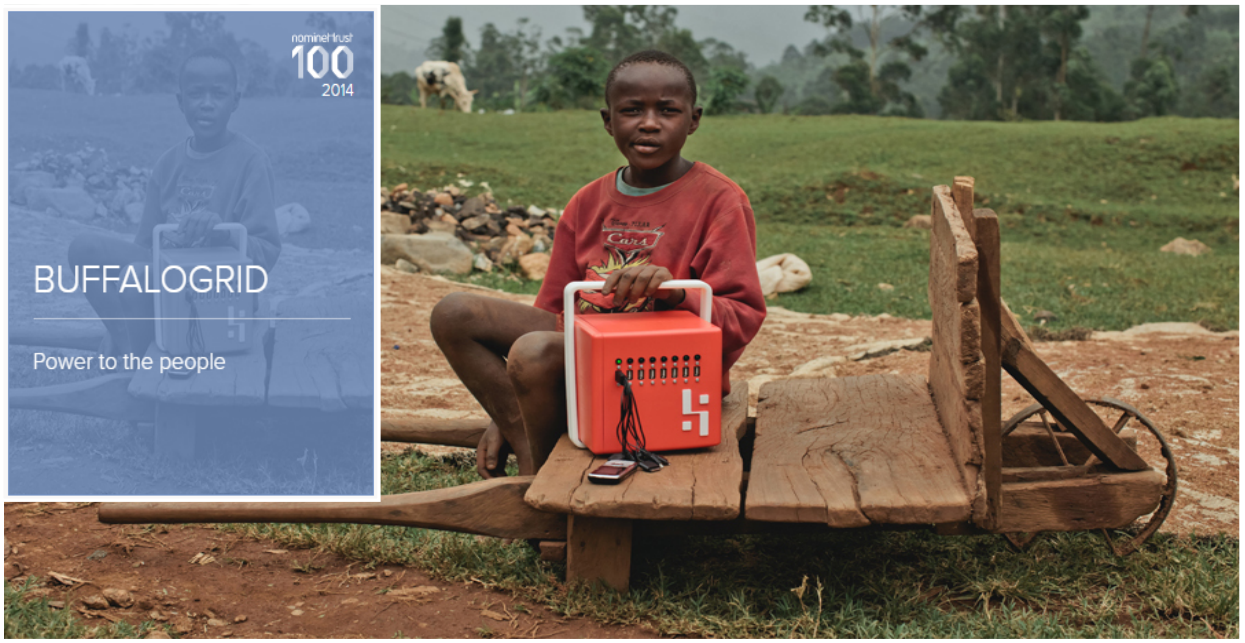
Workshop on new gTLD Auction Proceeds

Case study: Nominet & Nominet Trust

Russell Haworth, CEO Nominet

24 June 2015



Background

- Nominet UK operates the .uk ccTLD with over 10m registrations
- Nominet is a not-for-profit business with a duty to promote public benefit
- Historically, any surpluses accruing to Nominet were used to build up financial reserves
- We looked at several options for using a share of surpluses to promote public benefit – including financial contributions to, or partnerships with, existing charities
- In 2008, decision taken to establish the Nominet Trust as our corporate charity
- This was felt appropriate given the expected scale of the donations and the need for a clear charitable focus
- £5M of initial funding

The Nominet Trust

- Established as a UK registered charity, with a separate management and Board. Nominet can nominate staff members to sit on the Board
- Nominet sets out the principles and purpose of the Trust but does not interfere with day-to-day operations - or seek to use charitable donations to promote Nominet
- Nominet makes an annual allocation of funds to the Trust from operating surpluses, and can also ring-fence other sources of revenue (eg: money raised in our auction of short domains in 2011)
- The Trust provides grant funding to organisations with a social mission delivering digital 'tech for good' projects in the UK and internationally
- The Trust also creates partnerships with larger organisations (e.g. Comic Relief) to produce a multiplier effect for Nominet's funding and to extend reach and scale
- Total funding to date: £35m ($54.2 US)

Making change happen with nominettrust

The UK's leading social tech grant funder

- Investing in and supporting innovative use of technology to address complex social challenges – in the UK and internationally
- Mixed economy of funding: open calls, themed calls with partners, creation of new initiatives in partnership
- Authoritative voice on 'tech for good'
- Mobilising new approaches to accelerate the use of tech for social change

Making change happen with

Themes and examples of grants

Key themes: health, economic empowerment, education, community engagement, environment.

- Health – Andiamo: building new healthcare solutions to provide anyone, across the globe, with the medical devices they need in less than a week using 3D scanning/printing; first challenge: children's orthotics
- Environment – Open Utility: currently trialling Piclo, the UK's first online renewable energy marketplace
- Education – Apps for Good: helping over 45,000 young people become the next generation of digital makers and problem solvers; aspirations to become a global platform for creative learning through technology

International funding - early support for WeFarm

75% OF THE WORLD'S POPULATION HAS NO INTERNET ACCESS.

The same 75% are those who most need better access to information and support services to improve their livelihoods. The majority are small-scale farmers, living in remote, rural communities.

At the same time, a diverse range of innovative, low-cost solutions are being developed every day by farmers, in response to the many challenges which they face. At the moment these ideas tend to travel only a few miles down the road – but they have potential to benefit thousands of other farmers worldwide.

WeFarm – sharing local knowledge globally

- A real-time, multilingual platform for farmers to share information to improve their crops and livelihoods via a basic mobile handset
- Peer-to-peer knowledge platform originally developed by Cafédirect Producers' Foundation, a charity working with tea, coffee and cocoa farmers in Africa, Latin America and Asia
- Funding from Nominet Trust 2010-13 allowed pilots to be run in Kenya, Tanzania and Peru
- WeFarm has since attracted funding from others, including £500,000 as 2014 Winner of the Google Impact Challenge
- Now launched nationally in Kenya, with a target to connect 25,000 smallholder farmers globally by the end of the year

"It definitely wouldn't have been possible without the support of Nominet Trust"
Kenny Ewan, CEO WeFarm

Working in partnership – reach & scale

Creating partnerships to increase reach and scale, producing a multiplier effect for Nominet's funding;

- **Comic Relief**: £600k Innovation Labs programme providing funding to develop digital tools to support young people's mental health and wellbeing.

- **Make Things Do Stuff**: £1m campaign with Nesta and Mozilla to mobilise the next generation of digital makers. Work developed by BBC's Make it Digital campaign.

- **Founders Forum for Good**: £1m Social Tech, Social Change programme combining grant funding with mentoring from a network of leading digital and technology entrepreneurs.

NT100 & Social Tech Guide

- **Social Tech Guide:** a curated digital resource profiling the work of over 1,000 inspirational organisations from around the world that are using digital ‘tech for good’; expanding further in 2015

- **NT100:** annual celebration of the world’s Top 100 most inspiring case studies of digital technologies being used to tackle a significant social challenge; now in its third year

http://socialtech.org.uk/nominet-trust-100/

Nominet Trust - key learning points

- Start small and build capability; use established organisations as initial delivery channels
- Recruit right mix of people to raise awareness and promote applications; conduct evaluation of the success of funded projects
- Review the funding landscape and seek the gaps to focus resources for maximum effect, recognising that partnerships are key to success
- It's not just about the funding – work closely with funded organisations to support them as they grow
- Robust processes and systems are essential to minimise cost of delivery
- Organisations receiving funding should have the capability to scale and become self-sustaining over time
- Capturing, evaluating and sharing the learning from organisations supported is an important part of the process so that all can benefit

Nominet - key learning points

- A dedicated charitable vehicle is a good means to deliver public benefit
- Charitable purposes should be clearly specified and aligned with the core mission of the business
- Separate organisations, with transparency, provides a clear demonstration of Nominet's public purpose
- Connections maintained at all levels – between Boards, leadership teams, staff, stakeholders and other national registries
- Co-location with shared services helps to share organisational culture, create synergy, maintain strong relationships and offers operational efficiencies
- Use as a vehicle for brand synergies between the Charity and funder

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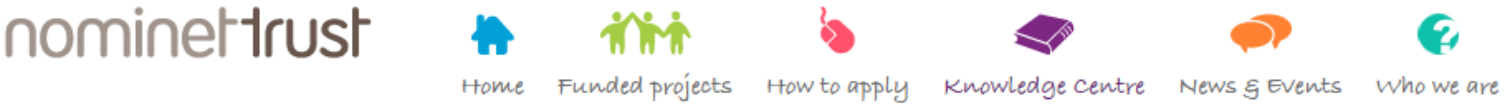
Appendix Slides

Nominet Trust's strengths

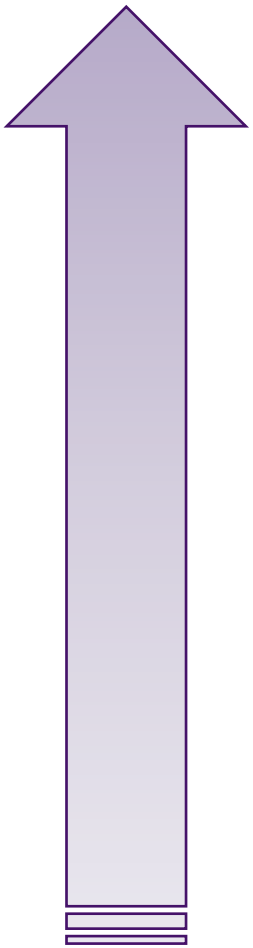
- Support from Nominet
- Strong governance
- Track record – operational since 2009
- Networks, expertise and resources established
- Team of 8 – skills include development, project management, evaluation/impact and marketing/comms skills
- Strong reputation as an innovative and process-driven grant funder
- Significant experience in the tech for good sector
- Partnership approach, leveraging reach and scale
- Learning organisation with a web-based Knowledge Centre



The Trust's charitable purposes

- Public education on the subject of the internet and information technology
- To advance internet and technology use in deprived areas, eg provision of equipment and training
- To relieve the social, health and educational needs of vulnerable members of society via information technology and the internet
- To promote the protection of the vulnerable, notably children, from abuse via the internet.
- Support of schools, universities and colleges offering a strong emphasis on technology and its practical applications
- To promote anti-cybercrime measures
- To assist the development of the Internet in developing countries

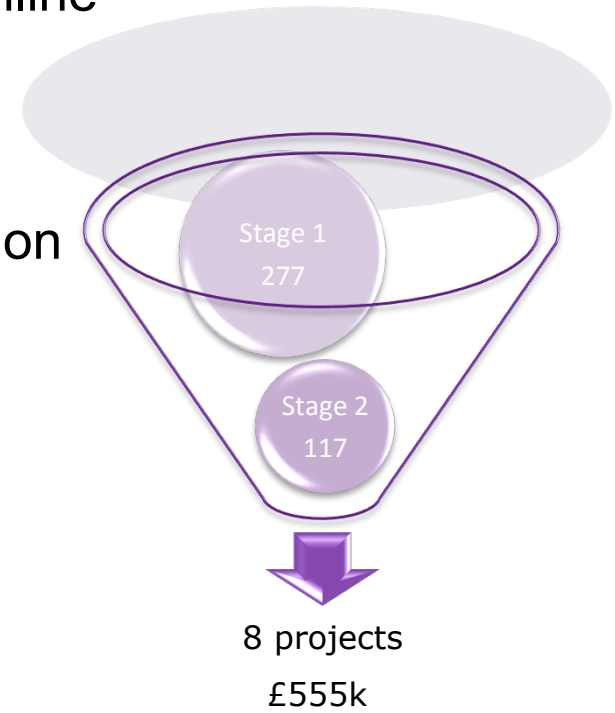
Nominet Trust – our story



2015	iDEA spun off as CIC; Social Tech Seed 4 & 5; Social Tech Growth (next stage funding); NT100 2015. Team of 8
2014	Inspiring Digital Enterprise Award (iDEA) launched; NT100 2014; Social Tech Seed 2 & 3; Make Things Do Stuff adopted by BBC
2013	Change of funding strategy from theme to stage of development – Social Tech Social Change; Make Things Do Stuff partnership & Digital Makers fund; NT100 2013;Tech for Good challenge
2012	Our Digital Planet street gallery; Digital Edge/Young People and Life Transitions funding rounds; £250k Challenge (Ageing)
2011	Start of partnership development, thought leadership and market development; Open Innovation a new funding theme. Team of 5
2010	CEO recruited; Internet Safety, Internet Access, Internet in Society funding; organisational learning & building for the future
2009	First funding approved – Internet Safety, Internet Access, Internet in Society; website launched; processes developed
2008	Trust established with £5m fund; Board of Trustees appointed; funding strategy agreed. Team of 1.5

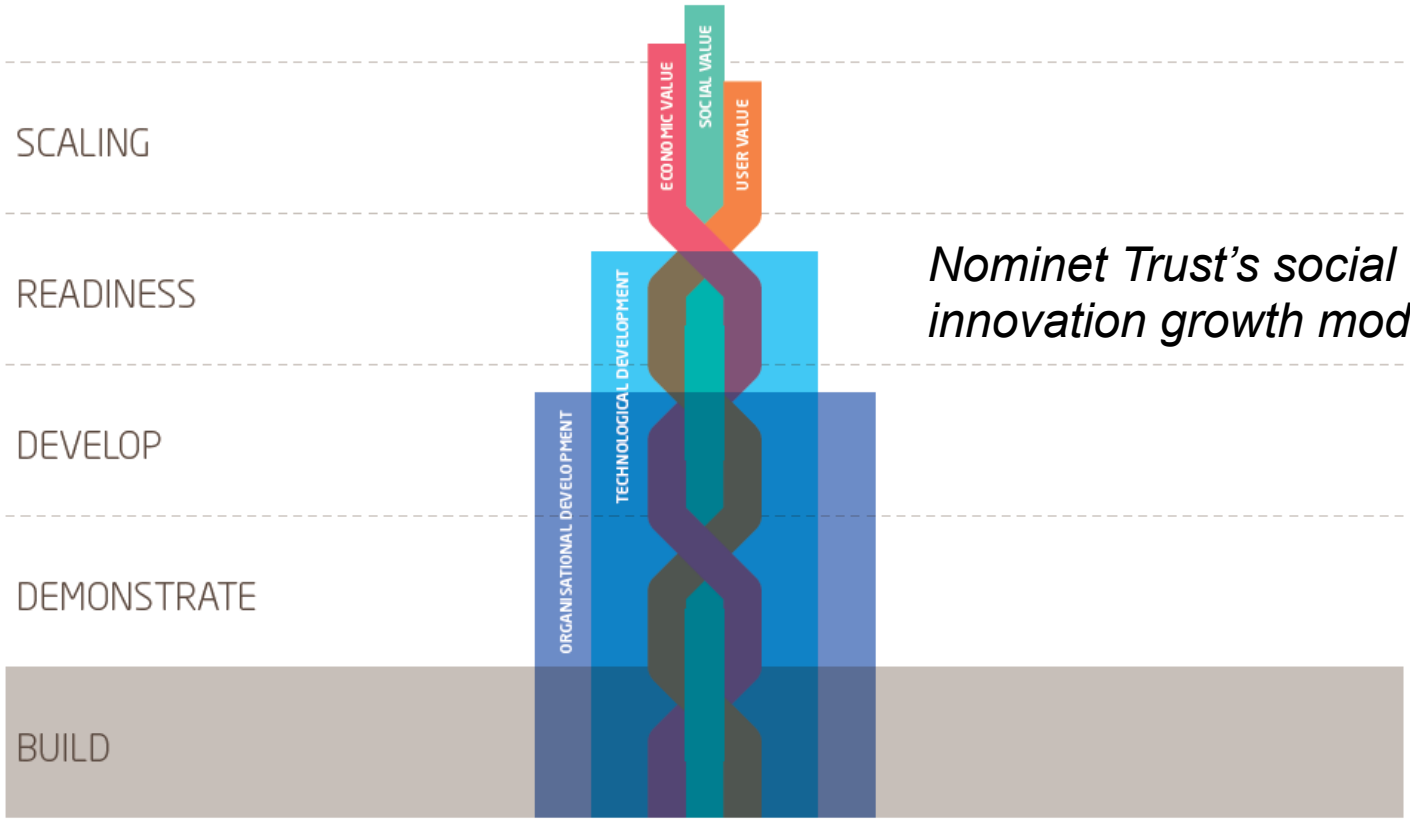
Open call funding process

- 2009: funding via established organisations to seed the market, plus a 12m open call with an email-based process
- 2015: open call every 6 months
  - Pre-application workshops and webinars to explore ideas
  - Two stage application process – all online
  - Internal review to short list
  - Full engagement with short list
  - Portfolio presented to Board for decision



Creating social, user and financial value

Over 50% of our ventures are at ‘demonstrate’ stage – they have a digital prototype and are beginning to evidence social, user and financial value to demonstrate potential



Nominet Trust’s social tech innovation growth model

Working in partnership – funding pipeline

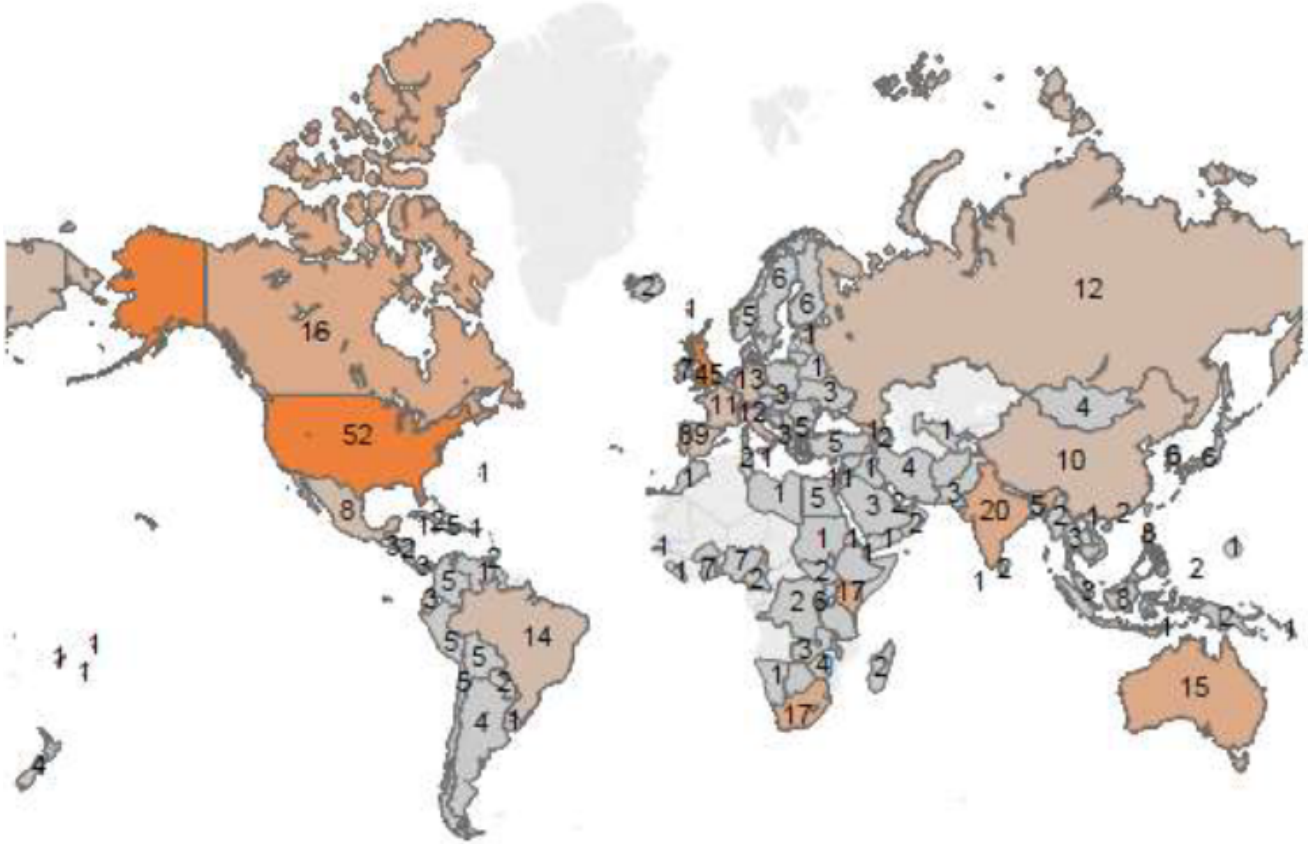
Creating partnerships to develop a pre- and post-Nominet Trust funding pipeline for new ventures:

- **Bethnal Green Ventures**: £2m accelerator programme co-funded by UK Cabinet Office to support start-up founders and help them create technology based solutions to the world's most pressing social and environmental problems. Also supporting 2015 post-accelerator fund.

- **Big Issue Invest & Big Lottery**: £0.5m Tech for Good Challenge – pilot model supporting ventures in developing their digital tech businesses with funding and mentoring from large corporates. Post-pilot programme rolled out with Cabinet Office funding.

NT100 2014 – global coverage

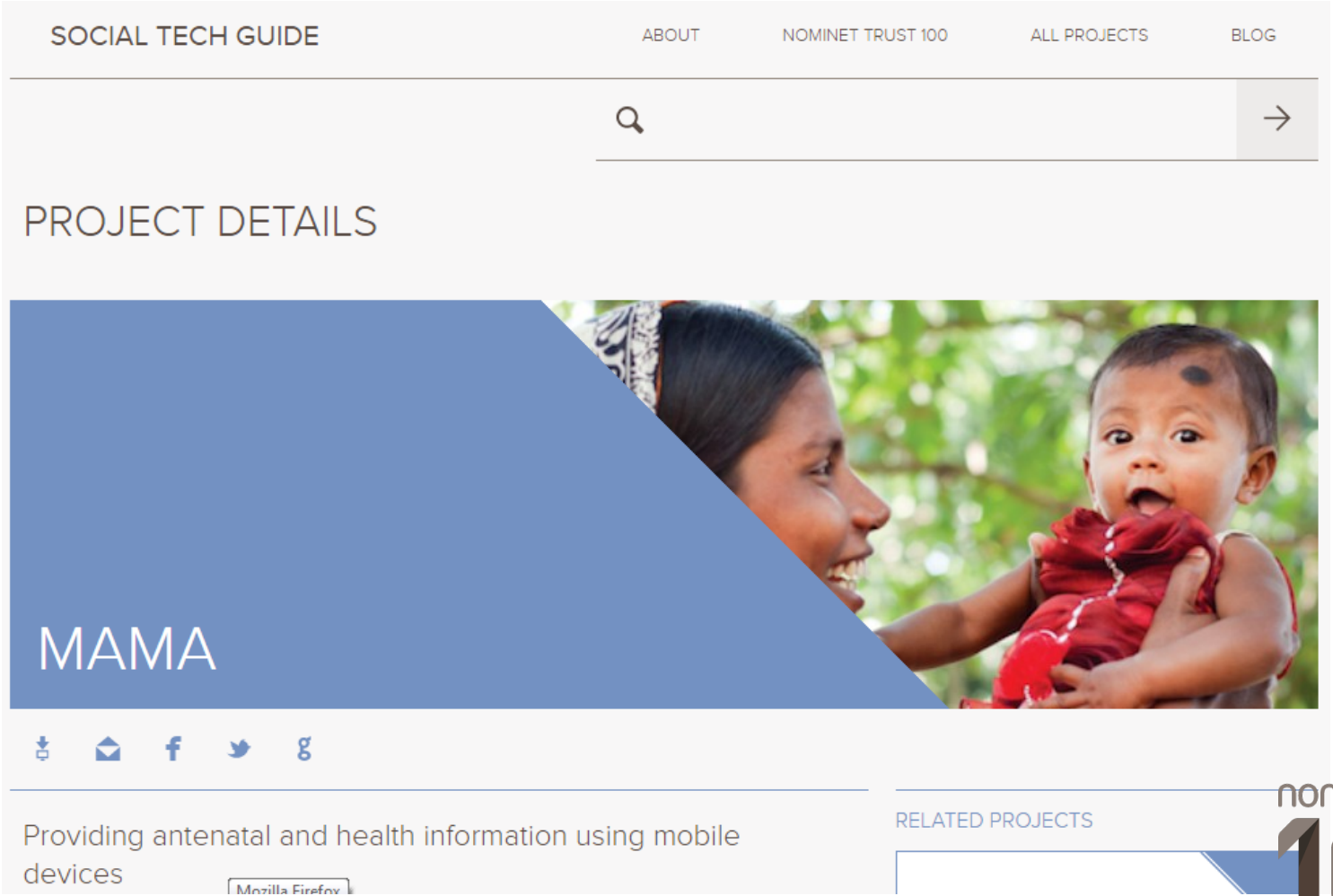
Countries Active:



100 Projects active in around 200 countries.

USA and the UK feature most prominently, followed by a group containing: India, South Africa, Canada, Australia, Brazil, China, Russia, France, Italy and Germany.

NT100 2014 – MAMA case study



Inspiring Digital Enterprise Award

- Founded by Nominet Trust with HRH The Duke of York's team
- Focus on young people 14-25
- Encouraging the development of digital and entrepreneurial skills
- Annual competition to win funding and support to develop digital business ideas
- Library of industry-endorsed digital skill badges being created
- Programme piloted in 2014/15 with full national roll-out this autumn
- Now established as separate CIC to facilitate sponsor engagement

THE DUKE OF YORK & NOMINET TRUST
iDEA
Inspiring Digital Enterprise Award

Nominet Trust supporting ICANN 50

- Community outreach event with Apps for Good in London (2014)

CENTR – Stockholm Jamboree 2015

- Nominet Trust represented at inaugural benchmarking/development meeting in June of national registries funding community projects – Canada, Netherlands, Sweden, UK
- Nominet Trust the most active of all the national registries, with significant presence, thought leadership and reputation in this space
- Plans to connect with other national registries e.g. Austria and New Zealand

Nominet's short domain auction

- Nominet decided in 2010 to auction previously reserved short, one character and two letter domains – eg 1.co.uk and aa.co.uk – 2831 in total
- Where there was contention for domains, applicants could enter an auction run by an individual auction specialist.
- We decided to ring-fence the surplus generated by this process and allocate it to the Trust. After covering the cost of the process itself, this led to a one-off additional allocation of funds to the Trust of some £3m in 2011.