Nlnet foundation

Policy statement 2024

1.   INTRODUCTION

NLnet Foundation is a public benefit organization committed to supporting and developing open-source projects and initiatives that advance the internet and its use for the benefit of society. This plan outlines our strategic goals, funding priorities & operational guidelines for 2024.

Mission

The foundation "Stichting NLnet" stimulates network research and development in the domain of Internet technology. The articles of association for the NLnet foundation state: "to promote the exchange of electronic information and all that is related or beneficial to that purpose".

NLnet does not directly benefit from the undertaken projects, and all developments are published as libre and open source.

Vision

We envision a digital world where open(-source) solutions empower individuals, promote transparency, and foster innovation, ensuring an inclusive and secure online environment.

Objectives

Our objectives include:

1. **Promoting Digital Rights and Privacy:** NLnet advocates for internet users' digital rights and privacy, ensuring that personal data is protected and individuals have control over their online presence.

2. **Enhancing Internet Security and Trustworthiness:** The foundation supports projects that aim to improve the security and reliability of internet infrastructure, fostering a safer online environment.

3. **Encouraging Open Standards and Interoperability:** NLnet promotes the use of open standards to ensure that technology and information can be easily shared and accessed across different platforms and systems.

4. **Facilitating Open Source Software and Open Hardware Development:** A core objective is to fund and promote the development of open-source software and open hardware, which is freely available and can be modified and shared by anyone.

5. **Supporting Research and Education:** The foundation backs educational initiatives and research projects that contribute to the understanding and advancement of open technologies and the internet.

Activities

NLnet Foundation undertakes various activities to achieve its objectives:

1. **Funding Open Source Projects:** NLnet provides financial support to innovative open-source software and open hardware projects through grants. These projects span a wide range of areas including privacy, security, decentralized networks, and more.

2. **Collaborations and Partnerships:** The foundation collaborates with other organizations, academic institutions, and industry partners to foster an ecosystem of open technology development and deployment.

3. **Organizing and Supporting Events:** NLnet organizes and sponsors conferences, workshops, and hackathons to promote knowledge sharing and community building among developers, researchers, and advocates of open technologies.

4. **Advocacy and Policy Work:** The foundation engages in policy advocacy to influence regulations and policies that impact digital rights, privacy, and the open internet. This includes participating in consultations and working with policymakers.

5. **Publishing and Disseminating Information:** The foundation disseminates research findings, project outcomes, and educational materials to the wider community through publications, reports, and its website.

NLnet Foundation's efforts are rooted in the belief that an open and secure internet is essential for a free and democratic society. By funding and supporting projects that align with our mission, NLnet contributes significantly to the advancement of open(-source) software & hardware and the protection of digital rights globally.

2.   Overview of NLnet Foundation's Income Generation

NLnet Foundation generates its income primarily through a combination of endowments, grants, partnerships, and donations. NLnet maintains a high level of financial transparency, regularly publishing detailed financial reports and audits. This practice not only ensures accountability but also builds trust with donors, partners, and the broader community.

Here's a detailed look at how NLnet sustains its funding:

2.1.   Endowments: NLnet Foundation was originally established with a significant endowment derived from the sale of its commercial subsidiary, NLnet BV, in 1997. This initial capital forms the backbone of its financial sustainability.

2.2.   Grants from Public and Private Sources: NLnet actively seeks and secures grants from various public and private entities. These grants are critical to supporting specific projects and initiatives aligned with the foundation's objectives. Key sources include:

- **European Union Grants:** NLnet has successfully acquired substantial funding through the European Union's Horizon 2020 and Horizon Europe programs, which support research and innovation.

- **Governmental Grants:** National and regional governments may provide funding for projects that align with public policy goals related to digital rights, privacy, and open technology.

- **Private Foundations and Institutions:** NLnet also collaborates with other non-profits, philanthropic foundations, and research institutions that share similar goals.

2.3.   Donations: Individual and corporate donations are an important source of revenue for NLnet. These donations come from:

- **Private Donors:** Individuals who believe in NLnet's mission contribute financially to support its projects and initiatives.

- **Corporate Sponsorships:** Companies that benefit from or support open-source technologies may provide sponsorships or direct donations to the foundation.

2.4. **Project-Based Funding:** Some of the foundation's income is generated through project-specific funding, where partners fund particular research or development projects. This funding is typically tied to deliverables and milestones agreed upon with the funding entity.

2.5. **Income from Investments:** The foundation carefully invests its endowment to generate returns that can be reinvested into its operational and project funding. This includes diverse financial instruments aimed at preserving capital while generating income to support NLnet's activities.

2.6. **Collaborations and Partnerships:** NLnet engages in strategic partnerships and collaborations that often come with shared funding opportunities. By working with universities, research labs, and other tech-focused organizations, NLnet can leverage additional funding streams and resources.

2.7. **In-Kind Contributions:** While not direct income, in-kind contributions such as donated services, infrastructure, and expertise also play a role in reducing operational costs and supporting project implementation.

Through these diversified income streams, NLnet Foundation ensures the sustainability and growth of its mission to support open-source initiatives, enhance internet security, and advocate for digital rights and privacy.

3. Overview of NLnet Foundation's Asset Management and Expenditure

3.1. **Management of Assets:**

3.1.1. **Endowment Management:** The NLnet Foundation was endowed with a significant capital base from the sale of its commercial subsidiary, NLnet BV, in 1997. This endowment is prudently managed to ensure long-term financial sustainability. Key aspects of asset management include:

- **Investment Strategy:** NLnet employs a very conservative investment strategy focused on preserving capital.

- **Ethical Considerations:** The foundation's investment choices are guided by ethical considerations, avoiding sectors that conflict with its mission of promoting an open and secure internet.

3.1.2. **Grant and Funding Management:** NLnet secures additional funding through grants from the European Union, governmental bodies, private foundations, and donations. Effective management of these funds includes:

- **Grant Compliance:** Ensuring that all funded projects comply with the specific requirements and reporting standards of the grant providers.

- **Financial Planning:** Detailed financial planning and budgeting to align with the strategic goals and operational needs of the foundation.

3.2. **Expenditure of Assets:**

3.2.1. **Project Funding:** A significant portion of NLnet's assets is allocated to funding open(-source) projects and initiatives that align with its mission. This includes:

- **Open Call Grants:** Regular (bi-monthly) open calls for project proposals where developers and researchers can apply for funding. Projects are selected based on their potential impact, innovation, and alignment with NLnet's objectives.

- **Strategic Projects:** Direct funding to strategic projects that address critical needs in internet security, privacy, and open standards.

3.2.2. **Operational Costs:** To maintain its activities, NLnet allocates funds for operational expenses, which include:

- **Staff Salaries:** Compensation for a small team of dedicated professionals who manage the foundation's programs, grant processes, and administrative tasks.

- **Administrative Expenses:** Costs associated with office operations, including utilities, supplies, and services.

- **Technology and Infrastructure:** Investments in technological infrastructure and tools necessary to support project development and collaboration.

3.2.3. **Community and Advocacy Initiatives:** NLnet funds various initiatives aimed at fostering community engagement and advocacy for digital rights, such as:

- **Events and Conferences:** Sponsorship and organization of events, workshops, and hackathons that bring together developers, researchers, and advocates.

- **Educational Programs:** Support for educational initiatives that promote awareness and skills in open technologies and internet security.

3.2.4. **Research and Development:** Allocations for research and development activities are crucial for advancing the foundation's mission, including:

- **In-House Research:** Funding for internal research projects that address emerging challenges in internet technology and digital rights.

- **Collaborative Research:** Partnerships with universities and research institutions for joint research initiatives.

3.3. **Financial Oversight and Transparency:**

3.3.1. **Audits and Reporting:** NLnet maintains rigorous financial oversight through regular audits and transparent reporting. This ensures accountability and trust among stakeholders.

3.3.2. **Board Oversight:** The foundation's board of directors oversees asset management and expenditure, ensuring that funds are used effectively and in line with the foundation's mission.

3.3.3. **Public Disclosure:** Detailed financial reports are published annually, providing insights into income, expenditures, and financial health, thereby promoting transparency and stakeholder confidence.

By effectively managing its assets and strategically allocating expenditures, NLnet Foundation ensures the sustained impact and advancement of its mission to support an open and secure internet.

For more information about Nlnet's funding and grant policy we refer to Appendix A.

1.   Purpose and Scope

The purpose of this policy is to establish the guidelines and procedures for the NLnet Foundation's funding and grant activities. This policy applies to all grant applicants, recipients, and NLnet Foundation staff involved in the funding process.

2.   Policy Objectives

The objectives of this policy are to:

- Promote innovation and open source projects in the fields of internet technology and internet freedom.

- Ensure a fair, transparent, and efficient process for awarding grants.

- Maximize the impact of NLnet Foundation's funding by supporting high-quality, sustainable projects that align with our mission and values.

3.   Policy Principles

This policy is based on the following principles:

- Openness and Inclusivity: We are committed to supporting diverse projects and applicants, ensuring equal opportunity and access to funding.

- Transparency: Our funding decisions and processes are conducted in a transparent manner, with clear criteria and open communication.

- Impact and Sustainability: We prioritize projects that demonstrate significant potential for positive impact and sustainability in the field of internet technology and internet freedom.

- Accountability: We maintain rigorous standards of accountability for both NLnet Foundation and grant recipients, ensuring responsible use of funds.

4.   Definitions

- Grant Applicant: An individual or organization applying for funding from the NLnet Foundation.

- Grant Recipient: An individual or organization that has been awarded a grant by the NLnet Foundation.

- Open Source: Software for which the original source code is made freely available and may be redistributed and modified.

5.   Policy Provisions

- Eligibility: To be eligible for funding, projects must align with the NLnet Foundation's mission and objectives. Applicants must provide proposals demonstrating the project's impact, feasibility, value for money and sustainability.

- Application Process: Grant applications must be submitted through the NLnet Foundation's website. Applications are reviewed on a rolling basis, with specific deadlines announced periodically (usually bi-monthly).

- Review and Selection: Applications are evaluated by a committee of experts based on predefined criteria, including innovation, impact, feasibility, and alignment with the Foundation's goals.

- Memorandum of Understanding: Successful applicants will enter into a MoU outlining the terms and conditions of the grant, including reporting requirements when claiming milestones.

- Grant recipient: All activities conducted under the MoU are performed voluntarily.

6. Responsibilities

- Applicants: Must provide accurate and complete information in their applications and comply with all terms and conditions of the MoU.

- NLnet Foundation Staff: Responsible for managing the application process, conducting fair and thorough evaluations, and ensuring compliance with this policy.

7. Compliance and Monitoring

When claiming a milestone, Grant recipients are required to submit an overview of and/or pointer to the progress. NLnet Foundation will monitor projects to ensure compliance with the MoU and assess the impact of funded projects.

8. Enforcement

Non-compliance with this policy or the terms of the funding agreement may result in the suspension or termination of funding and may impact the applicant's eligibility for future grants.

9. Review and Revision

This policy will be reviewed annually by the NLnet Foundation Board. Revisions will be made as necessary to ensure the policy remains relevant and effective.

By adhering to this policy, the NLnet Foundation aims to foster an environment of innovation and support for projects that advance the state of internet technology and internet freedom, thereby contributing to the public good.