

## 2026 Approved Budget for AFRINIC

The proposed 2026 budget has been developed to support the organisation's strategic objectives while ensuring operational sustainability, effective service delivery, and prudent financial management. The budget reflects a balanced approach between administrative efficiency, programmatic impact, and revenue stability.

For the 2026 financial year, **total operating expenses** are projected at **US\$6,609,595**, against **total projected revenue** of **US\$6,635,936**, resulting in a **budgeted surplus of US\$26,341**. This modest surplus demonstrates a conservative and responsible budgeting approach, providing a buffer against unforeseen costs while maintaining investment in priority activities.

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### 1. Major objectives

#### a. Strategic Stabilisation and Recovery

AFRINIC faces unique operational challenges due to:

- Organisational restructuring and leadership reconstitution
- Governance stabilisation and compliance requirements
- Infrastructure and operational upgrades to restore reliability
- Increased costs to resume essential community and policy processes

These require short-term financial outlays that cannot be deferred without risking service degradation or loss of member confidence.

#### b. Member and Community Re-engagement

Following operational disruptions encountered over the past years, AFRINIC must invest in:

- Community engagement and outreach
- Regional meetings and policy forums
- Training and capacity-building programs

These activities are essential for regaining trust, supporting members, and reactivating the policy development process.

#### c. Restoration of Core Operational Capacity

Increased spending on:

- Replacing the ailing member portal (MyAFRINIC)
- Remote site operations
- Compliance, legal, and professional services

supports operational integrity and reduces AFRINIC's long-term risk exposure.

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## 2. Risk Management and Safeguards

To ensure financial responsibility, AFRINIC will implement:

1. **Strict cost controls** and quarterly monitoring
2. **Prioritization of essential vs. discretionary spending**
3. **A reserve-use policy** to prevent depletion
4. **Enhanced procurement oversight and vendor renegotiations**
5. **A mid-year budget review** to adjust spending as needed

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## Conclusion

The proposed 2026 budget is balanced, realistic, and aligned with the organization's strategic priorities. It ensures the continuation of core operations, investment in member and community-focused activities, and sound financial stewardship, while delivering a modest surplus to strengthen overall financial sustainability. By addressing critical needs now, while applying strong financial controls, AFRINIC positions itself to deliver reliable services, strengthen community trust, and re-emerge as a stable and fully functioning Internet Registry for the African continent.

**Operating Costs Budgets 2026 - By Functions**

41	\$ Exchange rate	45
2022 Budgets		2026 Budgets
US\$	Administrative expenses	US\$
\$3,077,500	HR	\$2,901,811
\$115,750	Telecommunications	\$49,178
\$293,738	Computer expenses	\$128,415
\$312,035	Office Expenses	\$224,255
\$6,400	Motor vehicle expenses	\$6,400
\$70,000	Insurance	\$85,000
\$77,172	Printing, postage & subscriptions	\$170,670
\$85,000	Bank charges	\$85,000
\$17,700	Professional Fees	\$67,700
\$243,700	Depreciation	\$334,725
\$140,000	Legal Fees	\$290,000
\$107,000	Consultancy Fees	\$65,000
\$4,545,994	<b>Total Administrative expenses</b>	\$4,408,154

Distribution expenses		
\$59,300	Marketing & Comms expenses	\$55,000
\$75,000	Bad debts	\$50,000
\$258,400	Meeting expenses	\$400,000
\$70,000	Members Training & Capacity Building	\$249,475
\$390,000	Travel expenses	\$460,000
\$37,500	Research & Development	\$81,600
\$128,200	Outreach Initiatives	\$130,700
\$80,450	Community Engagement	\$150,000
\$205,500	Community Support	\$105,000
\$46,000	NRO Shared Costs	\$46,000
\$63,000	Contributions to ICANN	\$63,000
\$80,000	Remote Sites Operation Costs	\$310,666
\$1,493,350	<b>Total Distribution expenses</b>	\$2,101,441

\$105,000	<b>CONTINGENCY</b>	\$100,000
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<b>\$6,144,344</b>	<b>Total Operating expenses</b>	<b>\$6,609,595</b>
<b>REVENUE</b>		
<b>\$6,071,100</b>	<b>Fees Income</b>	<b>\$6,375,936</b>
<b>\$150,000</b>	<b>Other Income</b>	<b>\$260,000</b>
<b>\$6,221,100</b>	<b>TOTAL REVENUE</b>	<b>\$6,635,936</b>
<b>\$76,756</b>	<b>Budgeted Surplus</b>	<b>\$26,341</b>

## 2026 Budget Overview

- **Total revenue for 2026** is estimated at **USD 6.635 million**.
- **Total budgeted operating expenses for 2026**, excluding contingency, are estimated at **USD 6.609 million**.
- A **contingency provision of USD 100,000** has been included and will only be utilised in the event of unforeseen circumstances requiring additional funding.

## Key Cost Assumptions

- **Total travel expenses for 2026** are estimated at **USD 460,000**.
- **Meeting expenses** are budgeted at **USD 400,000**, reflecting the expectation that both the **AIS meeting and the AFRINIC meeting** will be held **face-to-face**.

## Revenue Composition

The **budgeted revenue for 2026 of USD 6.635 million** is composed of:

- **Fee Revenue:** **USD 6.375 million**
- **Other Income:** **USD 260,000**

Fee revenue projections assume that **new membership growth will continue at a slower pace**, consistent with the final phase of the soft-landing approach. A total of **300 new members** has been projected for 2026.

## Operating Cost Considerations

The following key assumptions apply to **operating costs for 2026**:

- **Staff costs** remain the largest single cost component, representing approximately 44% of total operating expenses. The focus for 2026 will be on filling the vacant position of the Chief Executive Officer, as well as selected existing vacant positions critical to operational continuity.

- A provision of **USD 250,000** has been included for **external legal advisors**.
- **Computer Expenses** cover software and infrastructure requirements, including **NetSuite, VMware, event management systems, other infrastructure licences, and related accessories**.
- **Marketing & Communications Expenses** include **translation costs** as well as various marketing and communication materials.
- **Members Training & Capacity Building** reflects a strategic focus on **IPv6 deployment across the continent**, with a gradual shift from traditional in-person workshops toward **e-learning platforms and webinars**.
- **Research & Innovation** activities and collaborations are expected to be maintained, with **increased participation from external partners**.
- **Outreach initiatives** will continue and be strengthened to further enhance engagement and proximity with the membership base.
- **Stakeholder Engagement** supports the organization’s objective of strengthening engagement with **governments and key stakeholders**, promoting a more inclusive and community-driven approach.
- **Community Support** initiatives will continue as a means of reinforcing relationships with the community and regional partners, including support for the **AFRINIC Fellowship Programme**.

<b>CAPEX 2026</b>	
Infrastructure Unit	\$ 573,200
MyAfrinic V2	\$ 650,000
People & Productivity	\$ 1,175
Communications Department	\$ 25,000
Capacity Building Department	\$ 15,000
Finance	\$ 1,500
	<b>\$ 1,265,875</b>

#### **Note 1 : MyAfrinic V2**

MyAFRINIC v1 was declared End-of-Life 5 years ago. It represents a single point of failure for the registry and a bottleneck preventing the implementation of policies, RPKI, and RDAP improvements. Replacing it is the biggest expense for 2026.

#### **Note 2 : Datacentres**

Our datacenters are the technical foundation of the registry. Currently, critical nodes in all four datacenters are past their manufacturer support date (EOSL), representing a single-point-of-failure risk. These all need to be replaced and also we’ll be investing in a new datacenter presence on the west coast of Africa.

Organisation Main Activities		OPEX				TOTAL	CAPEX
		Admin	Distribution	Payroll			
<b>Serving Members:</b>					\$ 2,533,988	\$ 1,181,200	
1. Member Services	Member Liaison, membership Development, Billing, MyAfrimic, bank fees	\$ 87,222	\$ 65,000	\$ 295,748	\$ 447,970	\$ -	
2. Technical Infrastructure	Infrastructure services, Whois, public website, DNS, remote sites, internet backbone	\$ 440,819	\$ 310,666	\$ 545,057	\$ 1,296,542	\$ 1,181,200	
3. Members Training	Training & Workshop, webinars, Engineering assistance	\$ 115,426	\$ 334,475	\$ 339,574	\$ 789,475	\$ -	
<b>Regional Development &amp; Outreach:</b>					\$ 1,668,890	\$ 10,000	
4. AFRINIC conferences	AFRINIC meetings, PDP meetings, Regional meetings	\$ 1,943	\$ 580,000	\$ 139,048	\$ 720,991	\$ 10,000	
5. Regional Technical Development	Policy Development, IPV6, Fellowships, IRR, Regional research	\$ 29,000	\$ 276,600	\$ -	\$ 305,600	\$ -	
6. Regional Community Engagement	Government liaison, Regional IGF, Af*, FIRE program	\$ -	\$ 405,700	\$ 236,600	\$ 642,300	\$ -	
<b>Global Collaboration:</b>					\$ 115,599	\$ -	
7. Global Technical Community	NRO, RIR collaboration, ICANN, IANA, IETF, ISOC	\$ -	\$ 109,000	\$ -	\$ 109,000	\$ -	
8. Governance	IGF, ITU, inter-governmental liaison	\$ 6,599	\$ -	\$ -	\$ 6,599	\$ -	
<b>Corporate:</b>					\$ 2,191,118	\$ 73,175	
9. Human Resources Management	Staff Management, Development, Recruitment & other HR related expenses	\$ 526,545	\$ -	\$ 332,774	\$ 859,320	\$ -	
10. Finance & Administration	Finance Unit, Admin & Travel administration, Systems	\$ 136,802	\$ 20,000	\$ 307,528	\$ 464,329	\$ 33,175	
11. Legal & Governance	Board, Member surveys, Audit, & Taxation	\$ 416,500	\$ -	\$ 228,938	\$ 645,438	\$ 40,000	
12. Facilities	Building, Office facilities, logistics	\$ 222,031	\$ -	\$ -	\$ 222,031	\$ -	
14. Contingency		\$ -	\$ -	\$ -	\$ 100,000	\$ -	
		\$ 1,982,887	\$ 2,101,441	\$ 2,425,267	\$ 6,609,595	\$ 1,264,375	