

message

*F*rom the Chairman

As the last comer to the Number Registry community, AfriNIC, the African Internet Registry, has now gained its full speed and has surpassed the promise placed on it in 2005 upon its recognition by ICANN (Internet Corporation for Assigned Names and Numbers). Indeed, 2007 has been yet another busy year of consolidation of AfriNIC's activities as per its initial business plan; the past year was also one of full operation as one of the five custodians of the address space allocation.

But as figures may speak better than words, I would like to put into perspective a few results that were achieved in 2007: the AfriNIC consumer base increased from 327 in December 2006 to 410 in December 2007. Allocations also went up by more than 100% in 2007. The staff increased from 6 to 9, our income increased by 30% and consequently, our reserve has been comfortably established to cover 10-12 months

of operation. Of course, 2007 also saw an increase in our spending, especially with the end of the incubation period and the gradual decrease of South African Government contribution to the technical operation costs. A most important highlight for 2007 was a closer involvement of the community, with a greater participation in the policy development process with six policies proposed and three being ratified by the Board.

In 2007, AfriNIC has strived to maintain its quality of services as well as to facilitate its interaction with the members. A member survey has now yielded crucial insights into the members' perception and needs, and 2008 is likely to see more customer-oriented services and facilities. As a not-for-profit organization, AfriNIC has included development and facilitation of internetworking in Africa as one of its core missions.



Thus it has enrolled in an aggressive training program over the past year and has established a fellowship program to facilitate participation of its community in policy development forums. Another initiative which the AfriNIC Board decided was the inception of an AfriNIC fund to further assist in advancing development and operation of Internet infrastructures on the African continent.

AfriNIC has maintained its level of participation in the global discussions on issues related to Internet governance and the depletion of the IPv4 protocol. In fact, most of AfriNIC's training program has been geared towards a technical appraisal and adoption of the IPv6 protocol. It is likely that 2008 will see an increased focus on the burning issue of IPv4 central pool exhaustion and IPv6 adoption in our region, while the Board has already paved the way for a smoother adoption through a set of key decisions. The level of concluded partnerships is another measure of AfriNIC's tenure in 2007 with MoUs signed with other African internetworking institutions and groups (the so called Af*), and the constant collaboration with the other registries through the NRO, ICANN, ISOC and the ITU.

It is my pleasure to report that as a forward looking corporation, AfriNIC has embarked on its strategic planning process in 2007, with an inclusive participation from all parts, including the Board and staff members. The strategic planning process will be an opportunity to join and discipline our efforts towards a more productive and efficient AfriNIC. I have no doubt that with the new strategic plan, the path will be set for the coming years and for a smooth sail of AfriNIC. My call is for all of us to contribute so that AfriNIC fulfills its mission of promoting a responsible management of Internet resources across the African continent.

Pierre Dandjinou

message

*F*rom the Chief Executive Office
Dear Colleagues,

The 'Annual Report' is rightfully a good opportunity to pause, review the past year and evaluate our achievement. To begin with, I must say that 2007 was indeed a very productive year.

One of the key moments of the year was the launch of "MyAfriNIC", the new registration system that integrates a member portal and a registration management tool as back-end used by our IP analysts. The objective of the portal is to ease the management of resources for our members while enabling them to pay their membership fees online. Soon, this possibility will also be extended to new members, thereby, shortening the membership process. This is undoubtedly in line with our continuous goal to better serve our community and make IP resource requests and management as simple as possible.

As stated at the beginning of the year, one of the biggest challenges that our region has to tackle is the transition to IPv6. Several measures have been taken by the Board during the year to make this a priority in our activity plans with special emphasis on awareness. We have also continued our fellowship program to increase participation in our process. Some twenty participants have benefited from the program during the year and we are pursuing our efforts towards the goal set.

An important change led by the community – which is yet another proof of the increasing participation in our process - is the review of our policy development process to make it more efficient and simple. The new Policy Development Process (PDP) reached consensus during the AfriNIC-7 public policy meeting, in Durban, South Africa, and will be implemented in 2008.

After three years of operation, AfriNIC had to engage onto the required path to ensure its sustainability. Hence, during the year, its structure together with its medium and long-term strategies had to be reconsidered and adjusted to its own growth pace as well as to the continuously evolving global Internet environment.

In this regard, we have launched a process to review our overall strategic plan and the whole organizational structure. This led to the creation of three main operation areas: Finance and Administration, Communications and Technical Operations. This was revisited with the objective to change the almost horizontal structure that we had before, to a more vertical structure, with more delegation of responsibility to each Area Manager.

Another critical step taken in 2007 was the alignment of our fee structure to our revenue stream: new categories of membership have been introduced and membership entry costs reduced. That measure impacted an approximate 10% decrease in our revenue and will definitely represent a new input for our financial outlook. However, we are confident that this measure will parallel the price paid by small members to the economic situation prevailing in our region.

Further along the year, AfriNIC continued to reinforce its collaboration with other organizations both on regional and international levels: joint activities were organized with AfNOG, AfTLD, AfISPA, ISOC and AfREN, and participation and support provided to the NRO and ICANN activities. Moreover, in 2008, AfriNIC will be in charge of the Secretariat of the ASO-AC/NRO-NC.

To conclude, I would like to express a vibrant recognition to all AfriNIC staff and to the community for the strong support, and without whom none of these achievements would have been possible. My wish is for 2008 to bring about more good news and more reasons to look positively into the future with you all.

Adiel A. Akplogan



afriNIC at a glance

Role :

AfriNIC - The African Network Information Centre – is the Internet Numbers Registry for Africa. It is a non-government, not-for-profit, membership-based organization to serve the African Internet Community.

AfriNIC's main role is to provide the service of allocating and registering Internet Resources for the purposes of enabling communications via open system network protocols and to assist in the development and growth of the Internet in the African Sub-Region.

Vision:

Spearheading Internet Technology and Policy Development in the African Region

Mission:

To provide professional and efficient distribution of Internet number resources to the African Internet community, to support Internet technology usage and development across the continent and strengthen self Internet governance in Africa by encouraging a participative policy development.

AfriNIC's objectives aim at:

- promoting the representation of AfriNIC membership and the Internet community of the African and Indian Ocean region by ensuring open and transparent communication and consensus-driven decision-making processes;
- promoting responsible management of Internet resources throughout the African region, as well as the responsible development and operation of Internet infrastructures;
- providing educational opportunities to the public so as to increase understanding within African communities of Internet technical and policy issues;
- proposing and taking such steps as are necessary to promote the development of public policies in the best interest of Members and to seek legislative and regulatory consideration, whether by way of meetings or representations, of issues of general benefit to the Members, where and when appropriate and,
- developing and promoting basic technical and business practice standards related to Internet service provision for Members.

Organizational Structure

Set up in 2004, AfriNIC headquarters is in Mauritius but its activities and region of coverage span across the whole African region. It is administered by a Board of Directors and managed by an appointed Chief Executive Officer.

The AfriNIC organizational structure is set to encourage a bottom-up self governance management model where policies and other organisational functions are determined by the community in general and by members who elect representatives that sit on the Board of Directors. The discussions are conducted via both public meetings and e-mail discussion lists. There are no requirements or pre-requisites for any person or entity to participate. AfriNIC has a General assembly which meets once a year whereas Public Policy Meetings are organised twice a year (one back-to-back with the General Assembly).

Board Composition

During 2007, the Board of Directors was composed of :

PRIMARY			
Name	Region	Terms	
		Elected	End of Mandate
Rachida Jouhari	Northern Africa	05/2007	05/2010
Pierre Dandjinou	Western Africa (chair)	05/2007	05/2010
Didier R. Kasole	Central Africa	05/2005	04/2008
Badru Ntege	East Africa	05/2006	05/2009
Alan Barrett	Southern Africa	05/2006	05/2009
Viv Padayatchy	Indian Ocean	05/2005	04/2008
Adiel Akplogan	CEO	Appointed	
ALTERNATE			
Name	Region	Terms	
		Elected	End of Mandate
Mokthar Hamidi	Northern Africa	05/2007	05/2010
Sunday Folayan	Western Africa	05/2007	05/2010
Gaetan Bouraga	Central Africa	05/2005	04/2008
Brian Longwe	Eastern Africa	05/2006	05/2009
Silvio C. Almada	Southern Africa	05/2006	05/2009
Kenny Yiptong	Indian Ocean	05/2005	04/2008

2007 highlights

Policies

Policies are very important documents. IP addresses and AS numbers are shared resources, available for use by anyone who needs them, and policies ensure that these resources are distributed fairly and consistently across the AfriNIC service region. The policies that AfriNIC uses to manage the allocation and assignment of Internet number resources under our custodianship are developed by the membership and the broader Internet community at large through a bottom-up process of consultation and consensus. This process is available on the policy page of the AfriNIC website.

In 2007, the following policies reached consensus:

DATE	PROPOSED BY:	PROPOSAL
20070707	Vincent Ngundi	Policy Development Process
20070820	Axel Pawlik	IANA Policy for Allocations of ASN Blocks to RIRs
20070130	Vincent Ngundi, Alain Aina	IPv6 Provider Independent (PI) Assignment for End-Sites
20070331	Adiel A. Akplogan	Change to the IPv6 HD ratio from 0.8 to 0.94
20061122	Adiel A. Akplogan	Proposals to change the allocation and assignment period to 12 months

Policies Recently Withdrawn

DATE	PROPOSED BY:	PROPOSAL
20070707	R.Gagliano , F. Obispo, H. EL Nakhal, D. A. Kla	Global Policy for the Allocation of the Remaining IPv4 Address Space
20070829	JPNIC	End Policy for IANA IPv4 allocations to RIRs

2007 highlights

Policies Proposals

Currently, there are several proposals under discussion that will be presented at AfriNIC-8 in Rabat, Morocco for discussions and possible consensus from the Community:

DATE	PROPOSED BY:	PROPOSAL
20060704	Jordi Palet Martinez	Modification to IPv6 Allocation and Assignment Policy
20070401	Jordi Palet Martinez	Policy for IPv6 ULA-central
20071030	Tony Hain	Cooperative distribution of the end of the IPv4 free pool
20080216	R.Gagliano , F. Obispo, H. EL Nakhal, D. A. Kla and JPNIC IPv4 countdown policy team	Global Policy for the Allocation of the Remaining IPv4 Address Space



2007 highlights

MyAfriNIC: access to Internet Resources at a click

MyAfriNIC is a web-based portal launched in 2007 that allows AfriNIC members to efficiently manage their resources and communicate with the Registry.

This service enables each member to keep track of all the history related to his membership, namely the following:

- Update their organisation's contact details
- Keep their personal profile up-to-date
- View their billing history
- View or download invoices
- Pay their bills online
- Manage AS Numbers
- Manage IPv4 resources
- Manage IPv6 resources
- Create, modify or delete reverse delegations
- Track the status of support tickets

MyAfriNIC was developed by the Software and Database Engineering team at AfriNIC.

This first version was tested by members from a range of volunteer countries in the AfriNIC service region which conducted an initial trial of the portal in a live environment ending in March 2007. These members were eNetworks (South Africa), Ghana Telecoms (Ghana), Ministry of Communications and Information Technology (Egypt), Ponto de Intercambio Internet Angola (Angola), Skannet (Nigeria), Sonatel (Senegal) and Sudatel (Sudan). The suggestions and comments received from these members have been incorporated.

2007 highlights

MyAfriNIC

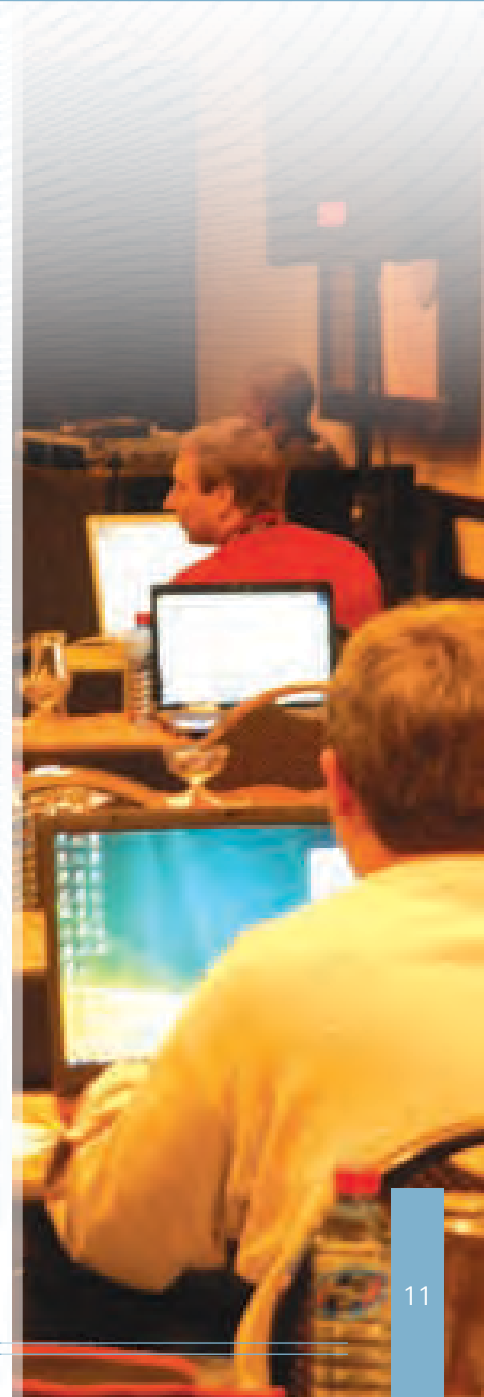
Already, several additional features and services are being developed and will be incorporated in a future release. Hence, the new version might also include online payment and new member registration amongst its unique features.

As stated by Mr. Adiel Akplogan, Chief Executive Officer, during the official launch at the AfriNIC-7 meeting in Durban, South Africa, MyAfriNIC comes in line with AfriNIC's ongoing mission to provide the community with the highest level of service. It is highly hoped that this portal will meet and exceed members' expectations.

Since the launch date of 27th September 2007, over 164 individual contacts from over 120 member organizations have been activated to use MyAfriNIC.

MyAfriNIC can be accessed via <http://myafrinic.net>

Members who wish to register for MyAfriNIC are kindly requested to send an email to myafrinic@afriNIC.net to obtain their login credentials.





Adiel A. Akplogan (left) , Chief Executive Officer of AfriNIC, and Michuki Mwangi, President of AfTLD, signing the MoU on 3rd May 2007 in Abuja, Nigeria, during the AfriNIC-6 meeting.

- **AfriNIC / AfTLD : Signature of a Memorandum of Understanding**

AfriNIC and the African Top Level Domains (AfTLD) signed an agreement of collaboration and mutual support to further strengthen their partnership in working for the African community's participation within the domain name system.

Following an initial two-year period, the agreement will be reviewed and evaluated as per the common goals established.

- **AfriNIC encourages its members to get ready for IPv6**

With the IANA pool of available IPv4 address space running out, AfriNIC embarked on an awareness campaign to inform its community about this situation. AfriNIC sent an informative letter to all its members in July 2007, urging them to start looking into the issue as soon as possible.

A press conference was held on 9th August 2007 by Adiel A. Akplogan the CEO of AfriNIC regarding the same issue in Mauritius.

While the time is not for panic, it is rather important that action be taken as soon as possible by Network Operators to avoid emergency situations.

The third AfriIPv6 event took place this year in Durban back-to-back with the AfriNIC-7 meeting with the participation of more than 150 persons from Africa and all over the world. It was the occasion for participants to review the state of IPv6 adoption in the region and look at the experiences from other parts of the world.

Since 2005, AfriNIC has initiated an awareness campaign on the exhaustion of IPv4 pool and introduced IPv6 to Operators and Policy Makers around the continent. Training sessions have been organized in more than 12 countries with more than 500 people trained and informed about IPv6.

- **Cooperation with Academia (AfriNIC / AAU) : discounted fees for Research & Education Institutions**

Pursuing its commitment to support the academic and research community in Africa, AfriNIC's Board has approved a proposal to provide a special pricing to the Association of African Universities (AAU) members.

As from July 1st, 2007, research and education institutions in all African and Indian Ocean Countries are entitled to a 50% discount on set-up, membership and assignment fees for IP number resources, which AfriNIC assigns/allocates to them.

This collaboration between AfriNIC and the AAU Universities aims at enhancing Internet access and capacity development for AAU members and other education and research institutions. It will undoubtedly bring about a better involvement of the Academic community to the development of Internet in the Africa region.

- **New fee structure for AfriNIC membership adopted for 2008-2009**

To support its operations, AfriNIC charges its members fees that may be deemed to change from year to year according to operational costs, financial health of the organization, and upon validation by the Board of Directors.

The new fee structure for 2008-2009 has been reviewed for a more equitable repartition and will cater for newly introduced categories of members. Also, in order to encourage and promote usage of IPv6 in the region, special measures have been adopted to extend the waiver of allocation fees for already existing members and apply a special pricing for new IPv6-Only members.

- **AfriNIC awards prize for Best Open Source**

AfriNIC awarded a special prize to Mr. Nouhoun Yedidya Diarra, as the programmer of the best open source software in the context of the Best Open Source Project contest, which took place during the 'Rencontres Africaines du Logiciel Libre's 2007 event (RALL 2007 - one of the largest African meetings for open source applications), at the Golden Tulip Farah Hotel in Rabat, Morocco.

AfriNIC will provide for Mr Diarra a fellowship amounting to US\$ 2500, covering his participation in the IETF-72 meeting which will take place from 27th July to 1st August 2008, in Dublin, Ireland.

This award aims at supporting and better exposing engineers from Africa to the International Internet Technical Forum. The IETF meeting will provide a good exposure to Mr. Diarra to the latest development in the Internet field.

technical

Operations Area

The IP Resource management is one of the critical areas of AfriNIC's activities. 2007 has shown a great growth in its activity through new members and Resources Allocation/Assignment. This service has also migrated to MyAfriNIC back-end in order to use the same interface to track members and their resource usage. Herewith is the 2007 overview from the registration services.

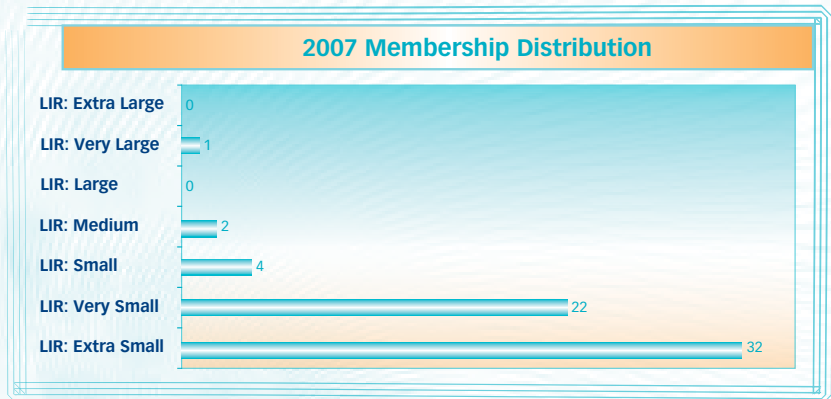
Quick Highlights

	2006	2007
IPv4 addresses allocated & assigned (x /24)	2,694,912	5,684,408
IPv6 addresses allocated & assigned (x /32)	20	16
AS Numbers assigned	52	69
IANA Allocations:		
IPv4 (x /8)	-	-
IPv6 (x /12)	-	-
ASN (x 1024)	-	-
New Members	73	82
Closed Members	-	13
Tracked e-mail tickets handled	1,080	1,472
Total Staff Count	2	2

technical Operations Area

Membership

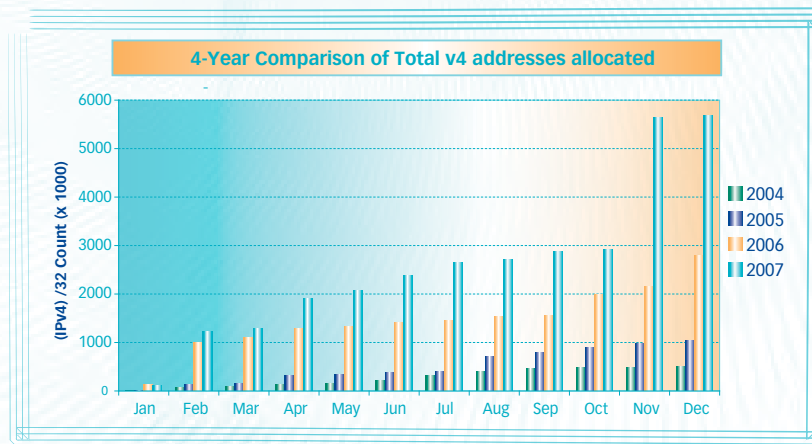
A total of 82 new member applications were successfully approved in 2007, a 12% increase from 2006. There were 62 new LIRs. In the “End-User (EU)” category, there were only 16 Small members, while for the “AS” category, only 4 applications were approved.



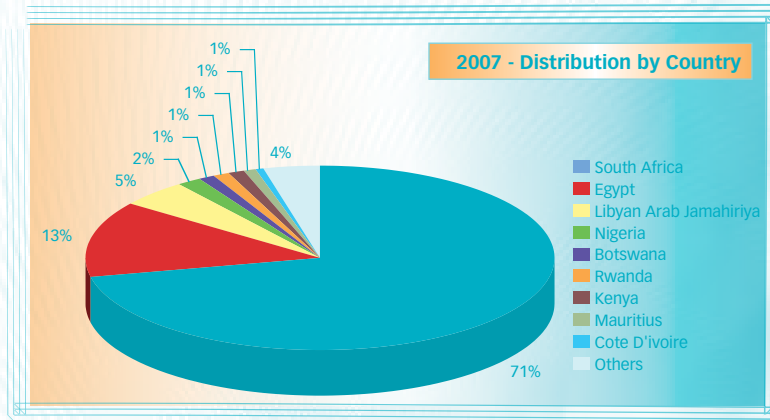
Number Resources

IPv4

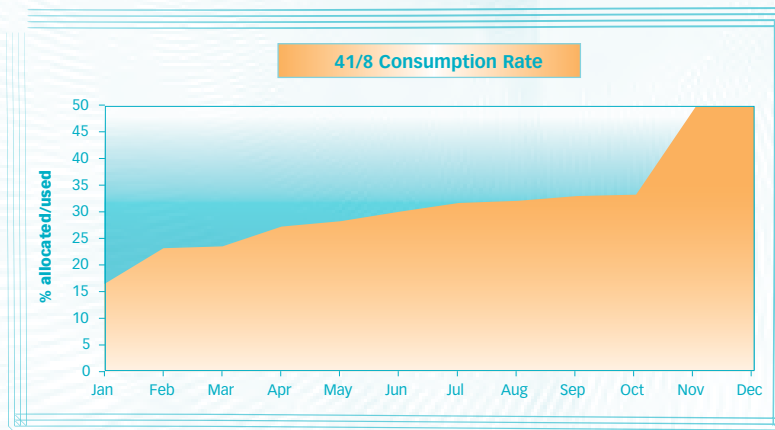
Compared to 2006, the total IPv4 address space issued to our members was significantly higher. There was a 111% increase in allocated IPv4 addresses from 2006 to 2007. As can be seen from the graph below, there is a steep rise in 2007's allocation trend in November as a result of an allocation made to one very large member for replacing their large NAT network with globally routable addresses. This was one of the allocations made in support of discouraging the improper use of NAT by ISPs in our service region.



technical Operations Area



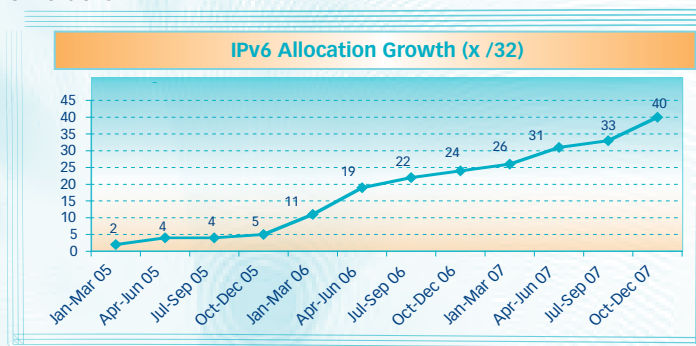
Under the EU policy for assigning resources to critical Internet infrastructure, we registered and assigned IPv4 address space to 2 Internet Exchange Points. Among the new members were three academic institutions whose IPv4 address requests were evaluated taking into account the MoU signed between AfrinIC and the AAU.



With currently close to 50% consumption of 41/8, we will probably be in position to request a new /8 Block from IANA in 2008

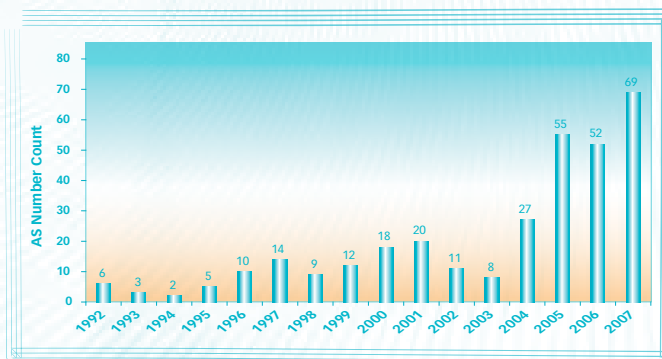
Not all of the allocated v6 address space was publicly announced and that became one focus of the registration service in order to improve it. We have started sending periodic reminders to members so that they fulfill their commitment by announcing their IPv6 prefix in the 12 months following an allocation. This action yielded some positive results as several prefixes appeared on the v6 Internet following these reminders.

There are still a few ARIN and one RIPE /32s that have not been returned (for renumbering into 2001:2300::/23), and we have temporarily put this issue on hold as we think that enough reminders have already been sent to the holders.



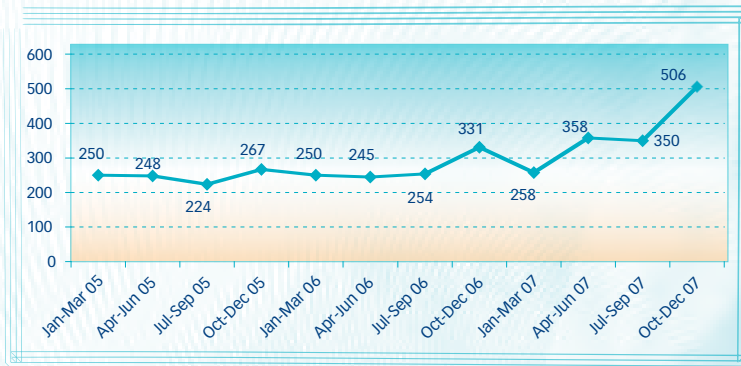
AS Numbers

We assigned 69 2-byte AS Numbers in 2007, which is a 33% increase from 2006. Regarding 4-byte AS numbers, only 4 were assigned. This is probably because not many vendors support 4-byte AS numbers. Routing tests with 4-byte ASNs using *quagga* and *Cisco* gear were all successfully conducted. 4-byte ASNs will probably pick up after 1 January 2009, since, according to the 4-byte ASN policy, we are requested to assign a 4-byte ASN to any applicant that does not explicitly specify a 2-byte ASN in the request.



technical

Operations Area



Ticketed E-Mail Correspondence

There were a total of 1,472 e-mails that were processed through the incident tracking system (RT) in 2007, an increase of 36% from 2006 - 80% of these being on the *hostmaster* queue. On average, more than half of the IPv4 and ASN resource requests we received were approved.

Member Closures and Resource Returns

Members were closed last year according to the following classification:

LIR: 11

EU (AS): 3

All the 3 EU (AS) members willingly returned the resources as unused, while all the LIRs were closed for non-payment.

AS Numbers and several disparate IPv4 allocations were reclaimed from the closed members. Among these resources include some outside 41/8 and 196/8 which will be returned to the parent RIR after 12 months from the date of member closure.



technical Operations Area

Software & Engineering

Software & Engineering Department

About SED

The Software & Engineering Department (SED) is responsible for the system infrastructure, software and services provided to the internet community in the AfriNIC service region.

We administer the Whois service, Reverse DNS zones, membership registration, ticketing support system, community mailing lists and create a variety of online tools and services. We also provide technical support and organize trainings at AfriNIC meetings.

The SED is a member of the Engineering Coordination Group (ECG) which is formed by the Number Resource Organization (NRO) Executive Council to undertake joint engineering activities. Through the ECG, we meet once a month via teleconference and for face-to-face meetings at the IETF which are held three times yearly.

Engineering Coordination Group (ECG) Activities

The main focus of the ECG in 2007 was resource certification and we participated in various online discussions and IETF workshops towards creating a draft business and functional specification of the joint NRO resource certification architecture. In 2008 we expect to implement resource certifications jointly with other RIRs.

AfriNIC Engineering Projects

During 2007, the Engineering department developed and executed the following projects:

IPv6 Support for Public Services

As IPv4 exhaustion nears, AfriNIC has proactively sought to promote a smooth transition towards IPv6 and to ensure support for it in our community. As a result, IPv6 support was added to our website and DNS server, support was added to the Whois service for IPv6 Assigned PI resources registrations and work will be underway in the first quarter of 2008 to ensure that all other AfriNIC public services are equally IPv6-capable.

MyAfriNIC Membership Portal

MyAfriNIC (<http://my.afrinic.net>) our membership portal was officially launched at the AfriNIC-7 meeting in Durban, South Africa as a user-friendly interface for members to manage their contact information, billing, resources, and requests for support.

Between the launch date of September 27 and December 31, 2007 a total of 122 individual contacts from 116 member organizations signed up to use MyAfriNIC.

Systems & Infrastructure

During 2007, we explored various measures to improve both our external and internal systems infrastructure to provide our community and users with more efficient service and support. Notably, we have implemented:

- Better network traffic and systems monitoring;
- LAN security measures; and,
- Increased spam control through greylisting, sender address verification, RBL and image spam handling.

We have also begun the process of improving backup and redundancy of mission-critical services such as our website, ftp site, whois service, DNS and ticketing system, and in 2008 we will put into place measures to ensure a more robust and fault tolerant infrastructure.

VOIP

A VOIP system was setup to improve inter-office connectivity, provide staff with low-cost voice communications and to hold staff meetings.

In 2008, we plan to officially rollout VOIP for both internal and external communications, and interconnect with other RIRs to promote an easier means to reach our colleagues by internet phone globally.

Staff

Yaovi Ahadjitse, a Togolese national with 7 years experience as a Database Administrator in Togo served as the Database Administrator and Software Developer in 2007 at the AfriNIC office in Mauritius.

Hari Kurup, a Ugandan national with 5 years experience in the ISP industry in Uganda served as AfriNIC's Systems Administrator in 2007 at our engineering offices in Pretoria, South Africa.

technical Operations Area

AIRRS - African Internet Resources' and Routing Statistics

AIRRS (African Internet Resources' and Routing Statistics) is an AfriNIC-conducted project that provides the community with informational reports and statistics about the allocated IPv4/IPv6 addresses along with useful routing data for these number resources.

Results of the hard work from the AIRRS project team members include the following:

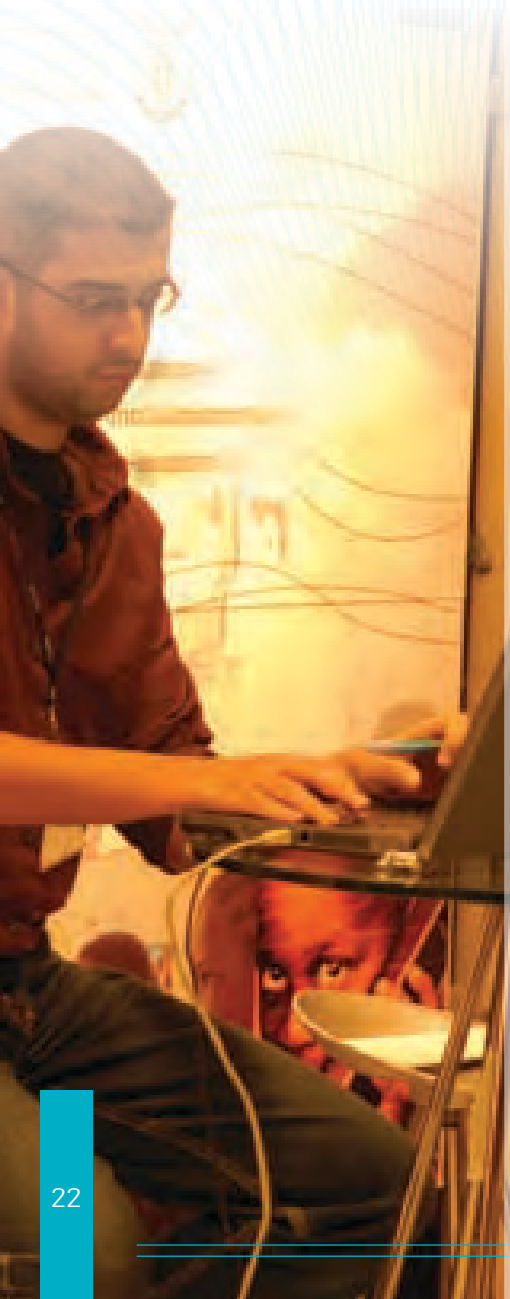
- Statistics and data on allocated and assigned IPv4/IPv6 addresses and AS Numbers;
- A weekly report on the routing status of the allocated IPv4 addresses; and,
- Weekly BGP reports for the following AfriNIC region address prefixes:
 - IPv4: 196/8 and 41/8
 - IPv6: 2001:4200::/23 and 2C00::/12

Other than using the publicly and freely available RIR resource allocation and assignment statistics, all routing and BGP reports are automatically generated using data collected from direct peering with Internet Solutions – www.is.co.za, and the *routeviews project* – www.routeviews.org. The reports are then e-mailed to the usual community mailing lists on Mondays.



technical

Operations Area



In line with the company's mission: "... to ... strengthen self Internet governance in Africa by encouraging a participative policy development.", AfriNIC implements policies that are developed by the community through a bottom-up policy development process. Because some of the implemented policies impact the way modern-day IP networks run, AfriNIC conducts research and tests after such policies have been implemented and feedback collected from members in order to inform the community of the impacts of these policies on the operation of the Internet. Two of such policies for which the AIRRS team conducted research and tests are:

- *4-byte AS Numbers*: After the IETF agreed to extend the AS Number standard to 32bits, all RIR communities devised and adopted the appropriate policies for assigning these ASNs to network operators in their respective communities. We ran some tests on the usage and routability of 4-byte AS Numbers, and the objectives of these tests were to check BGP session initialisation, check AS_PATH propagation in 2-byte, 4-byte and mixed networks, and finally, to check the 4-byte AS route propagation on the Internet. A report on these tests was produced and availed to the community.
- *IPv6 PI address assignments*: After implementation of the policy that allows AfriNIC to assign IPv6 addresses to end-sites in /48 prefixes, we conducted tests to establish routability and reachability of such prefixes. Indeed, members of the community had reported routing difficulties with these addresses. The tests were done to identify the causes of the problems and possible solutions were devised. Results from these experiments were published for the community's reference.

Another AIRRS activity is to plan transitioning the AfriNIC network infrastructure to IPv6. We have been helping in this critical area, since AfriNIC – as an IPv6 evangelist, must lead the community by example towards moving to this next generation IP protocol. We analysed the potential impact on the quality of service that could be created by the introduction of IPv6 in the infrastructure and the measurement and analysis of IPv6 traffic.

The project website – <http://airrs.afrinic.net> contains reports from the activities listed above and much more.



AfriNIC and the Community*AfriNIC Public Policy Meetings****AfriNIC-6***

AfriNIC 6th public policy meeting was held in Abuja, Nigeria from the 28th April to 4th May 2007. This meeting which was held jointly with AfNOG, AfREN, AfTLD and INET Africa exposed the latest works being carried out on the IPv6 as well as Internet Governance and IP number resources allocation policy in Africa. The main focus of this

meeting was the IPv4 address exhaustion and what can be done by the community to address issues being raised by this exhaustion. As an incentive for greater IPv6 take-up and usage within Africa, a new fee schedule was approved for IPv6 Membership fees. Also, a 50% discount has been proposed to universities and research networks on set-up and annual membership fees, referenced earlier in this report.

One of the numerous outcomes of this meeting was the setting up of Birds of Feather sessions on IPv4 exhaustion, anti-spam and the Policy Development Process.

A large proportion of the meeting was also dedicated to discussions on the six proposed policies. Three policies reached consensus, two were withdrawn and one did not reach consensus, and the discussion will continue on the policy mailing list (rpd@afriNIC.net). It was also the opportunity for AfriNIC during that day to give an update of its activities as well as its plan for the remaining of 2007. This open, bottom-up process is central to the administration and management of the Internet.

The meeting also included two days of hands-on IPv6 training which was attended by 50 delegates. The training, which was provided by Cisco System and Consulintel, covered all aspects of IPv6 deployment, and was also used to train African trainers to whom AfriNIC will have recourse to for future training.



AfriNIC-6 was sponsored by Cisco System, Consulintel, Internet Society, Netcom, Linkserve, Skannet and Cyber Space. More information about the meeting can be found at <http://www.afrinic.net/meeting/afrinic-6>.

AfriNIC7

AfriNIC 7th public policy meeting was held in Durban, South Africa from the 23rd to 28th September 2007. This meeting exposed the latest works being carried out on the IPv6 as well as Internet Governance and IP number resources allocation policy in Africa.

One day was dedicated to Policy Makers and Internet Governance in Africa. Two round table sessions were held on that day to discuss issues related to 'Internet Governance Forum and Policy Makers in Africa: Expectation and Meaningful participation' and 'Enhance cooperation and participation of policy maker in Africa to Internet governance debate'.

A one-day IPv6 conference was also held during the meeting and this gave an opportunity to the delegates to learn about research being performed in the field in the continent.



During the meeting, MyAfriNIC, the Member Portal was also launched. This portal will allow members to manage their contact details, their IP Number Resources online as well as view their billing details.

A large proportion of the meeting was also dedicated to discussions on the four proposed policies. Three policies reached consensus one did not reach consensus and the discussion will continue on the policy mailing list (rpd@afrinic.net) regarding this one and two other policies which were not

presented for adoption. It was also the opportunity for AfriNIC during that day to give an update of its activities as well as its plan for the remaining of 2007 and for 2008.

The meeting also included three days of hands-on IPv6 training which was attended by 50 delegates. The training, which was provided by Cisco System and Consulintel, covered all aspects of IPv6 deployment.

AfriNIC-7 was hosted by the Department of Communications of South Africa and was sponsored by Cisco Systems, Internet Solutions, Internet Society, Uniforum and VSNL/Teleglobe.

communications area

Training

AfriNIC continued with its IPv6 awareness campaign by providing training in the following countries:

Nigeria, Cote d'Ivoire, Tanzania, Angola, South Africa and Benin

In 2007, AfriNIC board also resolved the following:

"Noting the imminent exhaustion of the available pool of IPv4 address space, the AfriNIC Board resolves that efforts to draw the Public's attention to the problem and potential solutions such as IPv6 should be intensified, and instructs the staff to take appropriate actions in this regard

With this board resolution as guideline, the AfriNIC training team has planned for more than 15 IPv6 training sessions in 2008. The training plan can be seen at <http://www.afrinic.net/training>.

Survey

AfriNIC carried out its first member survey in February 2007. The feedback obtained enabled us to focus our attention to the areas which are of most concern to our members. Feedback was sought regarding the following:

- Content and Navigability of the Website
- The Policy Development Process
- Newsletter
- The Meeting Format

From the feedback obtained, the main issue identified was the website. In this regards, a new website will be launched in 2008.

2. Membership Liaison

New Membership Process

We have reviewed our membership process for simplification. Instead of having two documents to fill in, members now have only one document that can be filled in online via MyAfrinic.

ICONS

Afrinic has joined this APNIC's initiative to enable the African Internet Community to expand their knowledge and share information with a broad user base. ICONS is the Internet Community of Online Networking Specialists. We share network operation experience and knowledge of special interest to the African Internet community. By becoming a registered user, you will be able to upload information, discuss issues and ideas, and help shape the future of ICONS.

IPv6 Portal / Flyer

Afrinic has dedicated a new page on its website to IPv6 where the community can find information about IPv6 deployment, statistics and other articles.

Afrinic has also published an IPv6 flyer to provide more general information to the community about IPv6.

communications area

Please see <http://www.afrinic.net/policy.htm> for more information about the policy development process at AfrinIC and details about the policies being discussed.



Multilateral Collaboration

Internet Governance Forum (IGF)

AfriNIC participated at the second Internet Governance Forum which was held in Rio de Janeiro, Brasil from 12 to 15th November 2007. Adiel A. Akplogan participated in the IPv4 to IPv6 workshop and Alain Aina was present on the panel in one of the main sessions on Critical Internet Infrastructures.

AfriNIC was also present through the Number Resources Organization (NRO) at the IGF. The NRO had a booth to provide information about number resources management to delegates.

Internet Society (ISOC)

The Internet Society helped members of the community to participate in AfriNIC meetings in 2007 in Abuja, Nigeria and Durban, South Africa. AfriNIC also provided logistical support to the Internet Society for them to hold sessions during AfriNIC meetings.

African Top Level Domain Organisation (AfTLD)

AfriNIC and AfTLD have signed a Memorandum of Understanding on the 3rd May 2007 in Abuja, Nigeria during AfriNIC-6 meeting. Both organisations will collaborate to organise joint capacity building events on the continent. AfriNIC will also be providing financial management and administrative services to AfTLD.

AfriNIC also sponsored the AfTLD workshop which was held in Cairo in May 2007.

New Staff

Duksh Kumar Koonjoobeeharry joined AfriNIC in December 2007. He is responsible for maintaining and generating content for the AfriNIC website as well as handling all Graphic Designing for AfriNIC. Duksh has previously worked as Multimedia Designer/Web Developer in several BPO organisations in Mauritius



finance & administration area

HR Matters

During the year, a unit was setup to handle our Human Resources (HR) activities. We have started to formalize all our HR policies and a new HR management software was acquired to help in the process.

Our staff consolidation process started with the relocation of Ernest Byaruhanga from our South Africa office to Mauritius. This function will also be responsible for staff training, staff welfare and other staff related matters.

STAFF :

During the year, Patrick Deesse joined AfriNIC as the Finance & Administration Manager.



Financial year ended December 2007

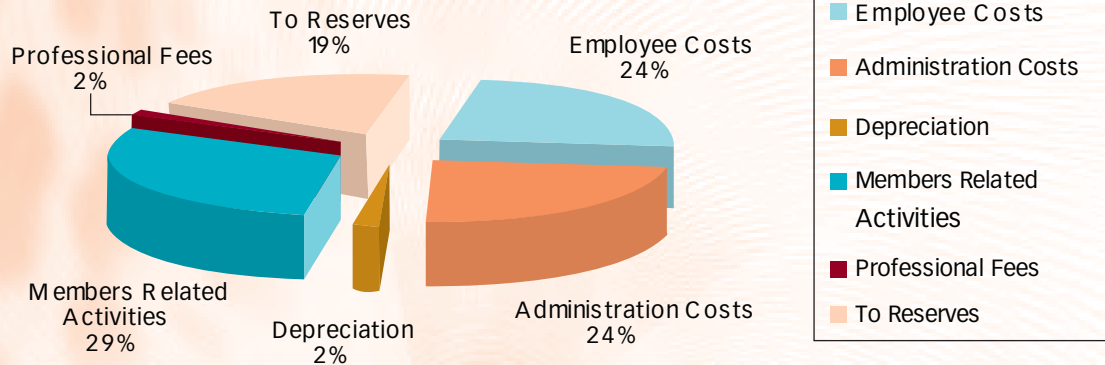
The growth experienced in the previous year was maintained in the year under review with an increase of 61.7% recorded in our membership fees from \$832,132 to \$1,346,027. However, there was a marked reduction of 40% in grants compared to the previous year.



Our Total Reserves grew by 30.4% from \$962,025 to \$1,254,802. This is in line with our objective to build up our reserves to the equivalent of two years operating costs. Whilst our interest income increased by 99% over last year, the strength of the Mauritian Rupees against the Dollar, had a negative impact on our overall results for the year.

The growth was also reflected in our operating costs which increased by 67.3% from \$623,425 to \$1,042,925. One main focus in 2007 was the consolidation of our Human Resources in order to position ourselves to better serve the growing community. As at the end of December 2007, the staff complement stood at 8 (2006, 5). There was also an increase in membership related activities, such as LIR training, outreach, sponsorship, travel and advertising. Our technical operations based in South Africa once again benefited from the funding from the Department of Communication (DoC).

Utilization of membership fee



During the year under review, \$31,195 (2006, \$62,537) was used on infrastructure to enhance and strengthen our existing capacity.

The Financial Statements was audited by Ernst and Young and a copy of their report is appended.

Prospects:

The risk associated with the strength of the Mauritian Rupee against the USD is something we are going to watch closely during the forthcoming year. The coming year will be characterised by an increased effort in IPv6 training in the region. Given the good results of the past year, which reflected members' confidence, AfriNIC is well positioned to make 2008 yet another successful year.



AUDITORS' REPORT TO THE MEMBERS OF AIRINDC LTD

Report on the Financial Statements

We have audited the financial statements of AIRINDC LTD on pages 5 to 14 which comprise the balance sheet as at December 31, 2007 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 5 to 14 give a true and fair view of the financial position of the Company as at December 31, 2007 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

finance & administration area



AUDITORS' REPORT TO THE MEMBERS OF ARINC LTD

Report on the Financial Statements (continued)

Chairman

This report, including the opinion, has been prepared for and only for the Company's members as a body, in accordance with Section 209 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person or where this report is shown or used where it may come into use where expressly agreed by our prior consent in writing.

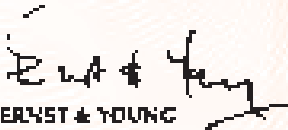
Report on Other Legal and Regulatory Requirements

Companies Act 2006

We have no relationship with or interest in the Company other than in our capacity as auditors and dealings with the Company in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.


ERNST & YOUNG


ANSHUL LAKSHMI LOKSAR, A.C.A.

Per Ernst & Young

Date: 27 February 2008

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finance & administration area

AFRINIC LIMITED

INCOME STATEMENT - YEAR ENDED DECEMBER 31, 2007

	Notes	2007 Rs	2006 Rs
Income	8	<u>41,526,851</u>	<u>31,295,651</u>
Administrative expenses		(17,052,620)	(10,803,263)
Distribution expenses		(12,661,351)	(9,657,563)
Total expenses		<u>(29,713,971)</u>	<u>(20,460,826)</u>
Surplus of income over expenditure	9	11,812,880	10,834,825
Finance income/(Cost)	11	(4,010,312)	3,246,399
Surplus for the year		<u>7,802,568</u>	<u>14,081,224</u>

AFRINIC LIMITED

BALANCE SHEET AS AT DECEMBER 31, 2007

	Notes	2007 Rs	2006 Rs
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,354,620	2,224,566
Current assets			
Trade and other receivables	5	1,907,496	850,953
Cash and short-term deposit		35,752,721	30,629,425
		37,660,217	31,480,378
Total assets		40,014,837	33,704,944
EQUITY AND LIABILITIES			
Other reserves		27,874,000	18,681,500
Revenue reserves		4,566,754	5,956,686
Grant		3,309,802	4,222,569
Total equity		35,750,556	28,860,755
Current liabilities			
Trade and other payables	7	4,264,281	4,844,189
Total equity and liabilities		40,014,837	33,704,944

finance & administration area

AfriNIC Limited

YEAR ENDED 31 DECEMBER 2007, FINANCIAL SUMMARY

PROFIT AND LOSS STATEMENT

Annex (USD comparatives)

	Year ended 31 December 2007		Year ended 31 December 2006	
	MRU	US\$	MRU	US\$
Income				
Membership fees	38,349,650	1,346,027	24,963,924	832,131
Grants	3,177,201	111,516	6,331,727	209,250
	<u>41,526,851</u>	<u>1,457,543</u>	<u>31,295,651</u>	<u>1,041,381</u>
Administrative expenses				
Human Resources	(9,779,666)	(343,255)	(7,031,494)	(214,244)
Telephone & Communications	(1,098,041)	(38,540)	(593,310)	(18,078)
Computer expenses	(120,527)	(4,230)	(113,099)	(3,446)
Office expenses	(1,060,674)	(37,228)	(1,309,038)	(39,885)
Motor Vehicles expenses	(128,325)	(4,504)	(133,870)	(4,079)
Insurances	(65,052)	(2,283)	(58,992)	(1,797)
Printing, postage & stationery	(761,402)	(26,724)	(302,294)	(9,211)
Bank charges	(319,461)	(11,213)	(284,984)	(8,683)
Audit fees	(90,000)	(3,159)	(90,000)	(2,742)
Depreciation	(715,324)	(25,107)	(556,787)	(16,965)
Legal & Consulting fees	(623,083)	(21,869)	(329,395)	(10,036)
Sponsorship	(1,764,234)	(61,922)		
LIR Training	(526,830)	(18,491)		
Total Administration expenses	<u>(17,052,620)</u>	<u>(598,527)</u>	<u>(10,803,263)</u>	<u>(329,167)</u>

finance & administration area

Finance Report

AfriNIC Limited

YEAR ENDED 31 DECEMBER 2007, FINANCIAL SUMMARY

PROFIT AND LOSS STATEMENT

Annex (USD comparatives)

	Year ended 31 December 2007		Year ended 31 December 2006	
	MRU	US\$	MRU	US\$
Distribution expenses				
Advertising expenses	(425,577)	(14,937)	(176,751)	(5,385)
Bad debts	(470,102)	(16,500)	(667,500)	(20,338)
Meeting and seminars expenses	(2,596,070)	(91,119)	(2,689,150)	(81,936)
Projects Sponsorships	0	0	(843,343)	(25,696)
Contribution	(1,715,548)	(60,214)	0	0
Travelling & Accommodation expenses	(6,014,610)	(211,106)	(4,747,589)	(144,655)
Entertaining expenses	(22,345)	(784)	(27,945)	(851)
Car rental	(250,799)	(8,803)	(87,069)	(2,653)
Discounts Allowed	(1,166,300)	(40,936)	0	0
Computer expenses	0	0	(418,216)	(12,743)
Total Distribution expenses	(12,661,351)	(444,398)	(9,657,563)	(294,258)
Total Operating expenses	(29,713,971)	(1,042,925)	(20,460,826)	(623,425)
Other Income/Expenses				
Interest income	1,915,691	67,238	1,109,095	33,793
Exchange (Loss)/Gain	(5,926,003)	(207,996)	2,137,304	17,625
Total Other Income/Expenses	(4,010,312)	(140,757)	3,246,399	51,418
Surplus for the period	7,802,568	273,861	14,081,224	469,374

finance & administration area

AfriNIC Limited

YEAR ENDED 31 DECEMBER 2007, FINANCIAL SUMMARY

STATEMENT OF ASSETS AND LIABILITIES

Annex (USD comparatives)

	Year ended 31 December 2007		Year ended 31 December 2006	
	MRU	US\$	MRU	US\$
ASSETS				
Non-current assets				
Property, plant and equipment	2,354,620	82,644	2,224,566	74,152
Current assets				
Trade and other receivables	1,907,496	66,951	850,953	28,365
Cash and short-term deposit	35,752,721	1,254,878	30,629,425	1,020,981
	37,660,217	1,321,829	31,480,378	1,049,346
Total assets	40,014,837	1,404,473	33,704,944	1,123,498
EQUITY AND LIABILITIES				
Other reserves	27,874,000	978,344	18,681,500	622,717
Revenue reserves	4,566,754	160,288	5,956,686	140,752
Grant	3,309,802	116,170	4,222,569	198,556
Total equity	35,750,556	1,254,802	28,860,755	962,025
Current liabilities				
Trade and other payables	4,264,281	149,671	4,844,189	161,473
	4,264,281	149,671	4,844,189	161,473
Total equity and liabilities	40,014,837	1,404,473	33,704,944	1,123,498

theWay forward

The Way Forward

Adiel Akplogan, Chief Executive Director, shares with the Community his views and his vision for AfriNIC.

As any young organization, and after three years of effective operation, AfriNIC has now reached a turning point where new strategies – medium and long term - are needed to strengthen its foundation for a more sustainable growth.

When we were given the opportunity to work on this project in 2003, the main goal was to put all the resources together to set up a Regional Registry for Africa and the Indian Ocean; and at the same time, successfully transfer the management of Internet Number resources to the Registry. That objective reached, we collectively need to look into the future and define where we want to position the organization.

The environment has significantly changed since then. Hence, issues like IPv4 exhaustion and the IPv6 adoption need to be catered for and be fully integrated in any Number Resource Registry's future plan. Furthermore, the rapid regional growth in mobile technology and its fast adoption by users make this environment especially dynamic, and require particular attention and reaction on our part.

Other determinants to be taken into account include the different fibre projects, the various regulatory framework changes as well as the new multinational players moving into the continent. Also, it should be noted that several parts of our region are experiencing a continuous economic growth path – that can be proudly described as being one of the best of the world at the moment.

the way forward

The definition of our strategic plan for the coming years should allow us to rethink our organisation's mission, structure and activity path to align them with the vision set by the Board.

AfriNIC's ambition is to be the leading organization on the continent in terms of IP technology development and appropriation. AfriNIC should play a catalytic role in Africa's participation on the global scene of Internet development. This requires an important commitment in capacity building.

Some questions that we may need to answer during this process are: **What will be AfriNIC's service scope when the IPv4 pool will be exhausted? What is needed for AfriNIC to properly handle its technical role? How is Resource Certification going to add value to AfriNIC's services? How are we going to empower our human resources to be ready to deal with the present and upcoming challenges?**

Our main objective is for this strategic planning exercise to bring about a stronger and more focused organization, empowered to fulfill its mission and leave a positive legacy to the future generation.