

AFRINIC

2021 Approved Operations Budgets

The 2021 Operations budgets take cognizance of the following factors:

- Macro-economic global situation impacted by the Covid-19 Pandemic
- AFRINIC hitting Soft Landing Phase 2

As a result of the above, a very conservative approach was adopted in deriving the numbers and operational activities focused on objectives which appeared on the new Strategic Plan 2021-2023. It is expected that some activities may be affected by this pandemic, and it is hoped that the situation will start to normalize during 2021.

- Total operating costs for 2021 was pegged slightly higher than the 2020 total revenue.
 - Total revenue for 2021 is estimated at \$6,067M
 - Total budgeted expenses for 2021 (excluding the “Contingency” line) is estimated at \$5,360M.
 - The “Contingency” line budget has been increased slightly compared to 2020 and will only be used if only an unexpected event happens for which additional funds will be needed.
 - Total travel expenses for 2021 is estimated at \$290K. This has reduced drastically as we do not expect any travel to be undertaken in the first half of the year.
 - Meeting expenses for 2021 has been estimated at \$230k. The reduction in this expense line as compared to 2020 is due to the fact we expect to have the AIS21 meeting online and the Afrinic November meeting face-to-face.
 - The budgeted revenue for 2021 is \$6,067M, which is made up of:
 - Fee Revenue - \$ 5,967M
 - Other Income - \$ 100K
- Fee Revenue target assumes that new membership shall continue to grow at a slower pace with the final stage of the soft landing. 300 new members have been projected for 2021.

- The budgeted operating costs reflects the execution of the new Strategic Plan and at the same time reflect caution with regards to uncertainty associated with the exhaustion; while maintaining high standard of service level.
- The following should be noted with regards to operating costs for 2021:
 - Staff costs represent the highest single cost line item in the organization operating expenses. The focus for 2021 shall be the replacement of existing vacant position and freeze all new recruits. Total HR Costs represents 51% of total operating Costs for 2021. With the current COVID19 pandemic, there shall not be an increase in existing payroll costs. Staff training have been set at \$135K or 4.8% of total HR Costs.
 - Legal & consultancy fees includes an amount of \$ 40K and \$108K for consultancy fees (HR consultancy, Agile transformation, engagement survey, etc)
 - “Computer Expenses” includes various software Licences like NetSuite, VMWare, Event Management, other infrastructure licences and other accessories.
 - “Marketing & Communications Expenses” line includes translations costs and various marketing and communications materials.
 - “Members Training & Capacity Building” reflects a focus on IPv6 Deployments on the continent. Traditional training workshops are slowly being replaced by e-Learning and webinars.
 - “Travel Expenses” for 2021 is estimated at \$290K. This has reduced drastically as we do not expect any travel to be undertaken in the first half of the year.
 - Our “Research & Innovation” efforts and collaborations which started in 2019 is expected to be maintained with increased involvement of other partners.
 - “Outreach” activities are set to continue and reinforced with a view to get even closer to membership base and also in the light of Soft-Landing phase 2.
 - “Stakeholders Engagement” - In line with the organization objective this line budget will represent AFRINIC effort at engaging stakeholders and governments. It is hoped that this initiative shall increase

proximity with the community and other stakeholders; hence adopting a more inclusive approach.

- “Community Support” is expected to continue as another way of being closer to the community and support to regional partners. This includes AFRINIC Fellowship program.
- A contingency amount of \$105K has been included in the operational costs budget to cover contingency risks as per the Contingency Policy. Any expenditure used in this budget line will need Board approval. Utilization of the contingency shall be strictly controlled.

Operating Costs Budgets 2021 - By Functions			
	35.00	\$ Exchange rate	40.00
Estimate actual	2020 Budgets		2021 Budgets
US\$	US\$	Administrative expenses	US\$
\$2,500,000	\$3,089,949	HR	\$2,768,165
\$65,000	\$69,667	Telecommunications	\$109,050
\$148,726	\$160,898	Computer expenses	\$249,459
\$258,557	\$281,978	Office Expenses	\$310,035
\$5,998	\$6,000	Motor vehicle expenses	\$6,400
\$37,071	\$38,116	Insurance	\$50,000
\$32,696	\$42,208	Printing, postage & subscriptions	\$61,662
\$67,587	\$68,000	Bank charges	\$70,000
\$16,568	\$13,700	Professional Fees	\$16,400
\$155,253	\$155,253	Depreciation	\$184,000
\$160,000	\$162,130	Legal & Consultancy Fees	\$148,630
\$3,447,456	\$4,087,899	Total Administrative expenses	\$3,973,801
		Distribution expenses	
\$22,517	\$72,200	Marketing & Comms expenses	\$50,000
\$81,000	\$60,000	Bad debts	\$100,000
\$99,184	\$300,000	Meeting expenses	\$230,000
\$0	\$110,300	Members Training & Capacity Building	\$98,820
\$100,000	\$550,000	Travel expenses	\$290,000
\$17,025	\$40,000	Research & Development	\$70,000
\$0	\$82,000	Outreach Initiatives	\$146,900
\$0	\$70,000	Community Engagement	\$82,000
\$30,000	\$215,000	Community Support	\$150,000
\$30,616	\$46,000	NRO Shared Costs	\$46,000
\$56,520	\$63,000	Contributions to ICANN	\$63,000
\$46,105	\$47,500	Remote Sites Operation Costs	\$60,000
\$482,967	\$1,656,000	Total Distribution expenses	\$1,386,720
\$0	\$0	Other Costs	
\$0	\$70,000	CONTINGENCY	\$105,000
\$3,930,423	\$5,813,899	Total Operating expenses	\$5,465,521
		REVENUE	
\$5,550,000	\$5,550,000	Fees Income	\$5,967,875
\$50,000	\$350,000	Other Income	\$100,000
\$5,600,000	\$5,900,000	TOTAL REVENUE	\$6,067,875
\$1,669,577	\$86,101	Budgeted Surplus	\$602,354

CAPEX 2021	
Capacity Building	\$ 22,000
Infrastructure Unit	\$ 136,500
Research & Innovation	\$ 23,000
HR & Admin	\$ 22,000
Comms & PR	\$ 49,651
MyAfrinic V2	\$ 145,700
	\$ 398,851

- MyAfrinic V2 project was initially planned to be completed in November 2020. However, with COVID 19 pandemic and some major challenges we faced in 2020 the target has not been met. It is envisaged that the projected will be completed in fourth quarter of 2021. An amount of USD 115k was budgeted in 2020 for this project. After some more researches done, it is envisaged that an additional amount of USD 30,700 be allocated to this project. Since the project has not been completed and is not up and running as should be, this cannot be capitalized in 2020. Thus, this has been carried forward to 2021.

Organisation Main Activities		OPEX				TOTAL	CAPEX
		Admin	Distribution	Payroll			
M100	Serving Members:				\$ 1,997,480	\$ 269,200	
M101	1. Registration Services	<i>IP Management, maintenance & databases</i>	\$ 20,000	\$ -	\$ 70,123	\$ 90,123	\$ -
M102	2. Member Services	<i>Member Liaison, membership Development, Billing, MyAfrinic, bank fees</i>	\$ 70,000	\$ 100,200	\$ 146,920	\$ 317,120	\$ 145,700
M103	3. Technical Infrastructure	<i>Infrastructure services, Whois, public website, DNS, remote sites, internet backb</i>	\$ 463,073	\$ 60,500	\$ 627,248	\$ 1,150,821	\$ 101,500
M104	4. Members Training	<i>Training & Workshop, webinars, Engineering assistance</i>	\$ 26,324	\$ 156,260	\$ 256,831	\$ 439,415	\$ 22,000
R100	Regional Development & Outreach:				\$ 1,413,964	\$ 82,651	
R101	5. AFRINIC conferences	<i>AFRINIC meetings, PDP meetings, Regional meetings</i>	\$ 4,443	\$ 345,800	\$ 225,684	\$ 575,926	\$ 59,651
R102	6. Regional Technical Development	<i>Policy Development, IPV6, Fellowships, IRR, Regional research</i>	\$ 3,000	\$ 192,000	\$ 60,258	\$ 255,258	\$ 23,000
R103	7. Regional Community Engagement	<i>Government liaison, Regional IGF, Af*, FIRE program</i>	\$ 13,666	\$ 402,960	\$ 166,153	\$ 582,779	\$ -
G100	Global Collaboration:				\$ 125,599	\$ -	
G101	8. Global Technical Community	<i>NRO, RIR collaboration, ICANN, IANA, IETF, ISOC</i>	\$ -	\$ 119,000	\$ -	\$ 119,000	\$ -
G102	9. Governance	<i>IGF, ITU, inter-governmental liaison</i>	\$ 6,599	\$ -	\$ -	\$ 6,599	\$ -
G103	10. Global Research	<i>OECD, Global research initiatives</i>	\$ -	\$ -	\$ -	\$ -	\$ -
C100	Corporate:				\$ 1,823,479	\$ 47,000	
C101	11. Human Resources Management	<i>Staff Management, Development, Recruitment & other HR related expenses</i>	\$ 329,001	\$ -	\$ 330,449	\$ 659,450	\$ -
C102	12. Finance & Administration	<i>Finance Unit, Admin & Travel administration, Systems</i>	\$ 187,966	\$ 10,000	\$ 287,665	\$ 485,630	\$ 47,000
C103	13. Legal & Governance	<i>Board, Member surveys, legal Audit, ISO & Taxation</i>	\$ 86,530	\$ -	\$ 301,834	\$ 388,364	\$ -
C104	14. Facilities	<i>Building, Office facilities, logistics</i>	\$ 290,035	\$ -	\$ -	\$ 290,035	\$ -
	15. Contingency		\$ -	\$ -	\$ -	\$ 105,000	\$ -
			\$ 1,500,636	\$ 1,386,720	\$ 2,473,165	\$ 5,465,521	\$ 398,851

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