

AFRINIC

2022 Approved Operations Budgets

The 2022 Operations budgets focus on continuous delivery of excellent services and also 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 ongoing pandemic, and it is hoped that the situation will not be the case in 2022 which will prevent the planned activities for the year.

Total operating costs for 2022 was pegged slightly higher than the 2021 total revenue.

- Total revenue for 2022 is estimated at \$6,221M
- Total budgeted expenses for 2022 (excluding the "Contingency" line) is estimated at \$6,048M.
- The "Contingency" line budget has been remained the same as 2021 and will only be used if only an unexpected event happens for which additional funds will be needed.
- Total travel expenses for 2022 is estimated at \$390K. This has reduced compared to AFRINIC's normal travel budget as we do not expect travel to be undertaken during the whole year.
- Meeting expenses for 2022 has been estimated at \$270k. It is expected that the AIS22 meeting be held face-to-face and the Afrinic November meeting online.
- The budgeted revenue for 2022 is \$6,221M, which is made up of:
 - Fee Revenue - \$ 6,071M
 - Other Income - \$ 150K
- 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 2022.

- The budgeted operating costs reflects the execution of the Strategic Plan 2021-2023 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 2022:
 - Staff costs represent the highest single cost line item in the organization operating expenses. The focus for 2022 shall be the replacement of existing vacant position and recruitment of only one staff in Member Services department. Total HR Costs represents 50% of total operating Costs for 2022. The increase includes an average of 7% annual salary adjustment and the readjustments of some staff salaries following the recommendation of the Head of Departments. In addition, 30 staff shall be entitled to the air passage benefits as per policy. Staff training have been set at \$114K or 3.6% of total HR Costs.
 - Legal & consultancy fees includes an amount of \$140K for legal expenses and \$107K 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 2022 is estimated at \$390K. It is not expected that travel to be undertaken during the whole 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.

	40.00	\$ Exchange rate	41.00
Estimate actual	2021 Budgets		2022 Budgets
US\$	US\$	Administrative expenses	US\$
\$2,500,000	\$2,768,165	HR	\$3,077,500
\$100,000	\$109,050	Telecommunications	\$115,750
\$230,000	\$249,459	Computer expenses	\$293,738
\$258,557	\$310,035	Office Expenses	\$312,035
\$6,400	\$6,400	Motor vehicle expenses	\$6,400
\$50,000	\$50,000	Insurance	\$70,000
\$60,000	\$61,662	Printing, postage & subscriptions	\$77,172
\$80,000	\$70,000	Bank charges	\$85,000
\$16,400	\$16,400	Professional Fees	\$17,700
\$170,000	\$184,000	Depreciation	\$243,700
\$542,000	\$148,630	Legal & Consultancy Fees	\$247,000
\$4,013,357	\$3,973,801	Total Administrative expenses	\$4,545,994
		Distribution expenses	
\$30,000	\$50,000	Marketing & Comms expenses	\$59,300
\$75,000	\$100,000	Bad debts	\$75,000
\$80,000	\$230,000	Meeting expenses	\$258,400
\$15,000	\$98,820	Members Training & Capacity Building	\$70,000
\$25,000	\$290,000	Travel expenses	\$390,000
\$20,000	\$70,000	Research & Development	\$37,500
\$0	\$146,900	Outreach Initiatives	\$128,200
\$0	\$82,000	Community Engagement	\$80,450
\$15,000	\$150,000	Community Support	\$205,500
\$46,000	\$46,000	NRO Shared Costs	\$46,000
\$63,000	\$63,000	Contributions to ICANN	\$63,000
\$85,000	\$60,000	Remote Sites Operation Costs	\$80,000
\$454,000	\$1,386,720	Total Distribution expenses	\$1,493,350
\$0	\$0	Other Costs	
\$105,000	\$105,000	CONTINGENCY	\$105,000
\$4,572,357	\$5,465,521	Total Operating expenses	\$6,144,344
		REVENUE	
\$5,900,000	\$5,967,875	Fees Income	\$6,071,100
\$50,000	\$100,000	Other Income	\$150,000
\$5,950,000	\$6,067,875	TOTAL REVENUE	\$6,221,100
\$1,377,643	\$602,354	Budgeted Surplus	\$76,756

CAPEX 2022	
Infrastructure Unit	\$ 189,200
Member services	\$ 1,800
HR & Admin	\$ 29,000
Stakeholders engagement	\$ 4,400
MyAfrinic V2	\$ 145,700
Contingency (CAPEX)	
MyAfrinic V2.1	\$ 133,750
	\$ 503,850

- MyAfrinic V2 project was initially planned to be completed in November 2020. However, with COVID 19 pandemic and some major challenges we faced since 2020 the target has not been met. It is envisaged that the project will be completed in the first quarter of 2022. An amount of USD 145k was budgeted for this project.
- With MyAfrinic V 2.1 in mind, an additional USD 133k will be required for this upgrade. Since the project has not been completed and is not up and running as should be, this cannot be capitalized in 2021. Thus, this has been carried forward to 2022. The additional amount of USD 133k has been budgeted under contingency budget line under CAPEX

Organisation Main Activities		OPEX				CAPEX	
		Admin	Distribution	Payroll	TOTAL		
M100	Serving Members:				\$ 2,158,887	\$ 294,700	
M101	1. Registration Services	<i>IP Management, maintenance & databases</i>	\$ 20,000	\$ -	\$ 228,225	\$ 248,225	\$ -
M102	2. Member Services	<i>Member Liaison, membership Development, Billing, MyAfrinic, bank fees</i>	\$ 90,000	\$ 82,000	\$ 166,801	\$ 338,801	\$ 147,500
M103	3. Technical Infrastructure	<i>Infrastructure services, Whois, public website, DNS, remote sites, internet backb</i>	\$ 579,318	\$ 80,500	\$ 434,711	\$ 1,094,529	\$ 147,200
M104	4. Members Training	<i>Training & Workshop, webinars, Engineering assistance</i>	\$ 26,634	\$ 133,000	\$ 317,698	\$ 477,332	\$ -
R100	Regional Development & Outreach:				\$ 1,604,347	\$ 10,000	
R101	5. AFRINIC conferences	<i>AFRINIC meetings, PDP meetings, Regional meetings</i>	\$ 4,443	\$ 414,200	\$ 218,102	\$ 636,744	\$ 10,000
R102	6. Regional Technical Development	<i>Policy Development, IPV6, Fellowships, IRR, Regional research</i>	\$ 13,000	\$ 194,000	\$ 84,062	\$ 291,062	\$ -
R103	7. Regional Community Engagemen	<i>Government liaison, Regional IGF, Af*, FIRE program</i>	\$ 10,000	\$ 450,650	\$ 215,891	\$ 676,541	\$ -
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:				\$ 2,150,511	\$ 65,400	
C101	11. Human Resources Management	<i>Staff Management, Development, Recruitment & other HR related expenses</i>	\$ 441,379	\$ -	\$ 496,735	\$ 938,114	\$ -
C102	12. Finance & Administration	<i>Finance Unit, Admin & Travel administration, Systems</i>	\$ 169,267	\$ 20,000	\$ 266,377	\$ 455,643	\$ 61,000
C103	13. Legal & Governance	<i>Board, Member surveys, legal Audit, ISO & Taxation</i>	\$ 205,700	\$ -	\$ 259,021	\$ 464,721	\$ 4,400
C104	14. Facilities	<i>Building, Office facilities, logistics</i>	\$ 292,033	\$ -	\$ -	\$ 292,033	\$ -
	15. Contingency		\$ -	\$ -	\$ -	\$ 105,000	\$ 133,750
			\$ 1,858,372	\$ 1,493,350	\$ 2,687,622	\$ 6,144,344	\$ 503,850