



AfrinIC-6



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## Corporate Update

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# Content



What happened in 2006

Proposed changes to the AfrINIC structure

2007 Activity Plan

2007 Budget

Proposed Fees structure for 2008

Conclusion



# Content



**What happened in 2006**

**Proposed changes to the AfrINIC structure**

**2007 Activity Plan**

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**Conclusion**



## What happened in 2006

- **Afrinic has grown in 2006**
  - Budget: Our operational budget has grown from 150,00 USD in 2004 to approximately 800,000 USD in 2006 with more than 30% dedicated to various awareness and training activities.
  - The number of members has grown from 110 transferred from existing RIRs when we started to 223 at the end of 2006.
  - The above growth matches the allocation growth. While we apply strict rules in our evaluation procedure, there is about 100% growth in IP allocations in the Afrinic region from 2003 to 2006 compared to the overall period before that.



## What happened in 2006 (2/4)

- Completion of the transition process with the transfer of the management of the **196.in-addr.arpa zone** to our DNS (AfrinIC is the majority RIR for the 196/8). We have also worked with RIPE NCC to complete the **ERX and IPv4 PI assignments transfer into our Database.**
- We have launched a project to provide detailed statistics on Internet resources and Routing in our region (AIRRS).
- To support the activities growth, we have **hired additional staff:**
  - Hostmaster
  - CMLO
  - System Administrator
  - Database Admin
- **Management team building retreat in Mauritius**



## What happened in 2006 (3/4)

- In order to fully comply with Mauritian Law, we have started working with our legal adviser to **revise our constitution**. The first draft has been produced and **key changes** will be presented later on during this presentation.
- Our **management process audit took place in September 2006**.
- Launch of our disaster recovery center in Egypt. Setup a POP in US for secondary DNS services and testing of some services.



## What happened in 2006 (4/4)

- **Training:** Focused on IPv6 (8 events organized in different regions)
  - IPv6 allocation grew from 5 to 22 in 2006.
- **International:**
  - **Collaboration:** Joint MoU with AfNOG and AAU for awareness and common activities.
  - **CEO appointed to the IGF MAG:**
    - Participation to the organization of the first IGF
    - Contribution of Afrinic to the meeting agenda and various workshop and events organized in Athens.
  - **Continue cooperation with other RIRs** and Internet governance Organization: Several **joint activities** such as participation to the Telecom world summit in Bangkok (NRO, ICANN, ISOC).



# Changes in AfrINIC structure



What happened in 2006

**Proposed changes in AfrINIC structure**

2007 Activities Plan

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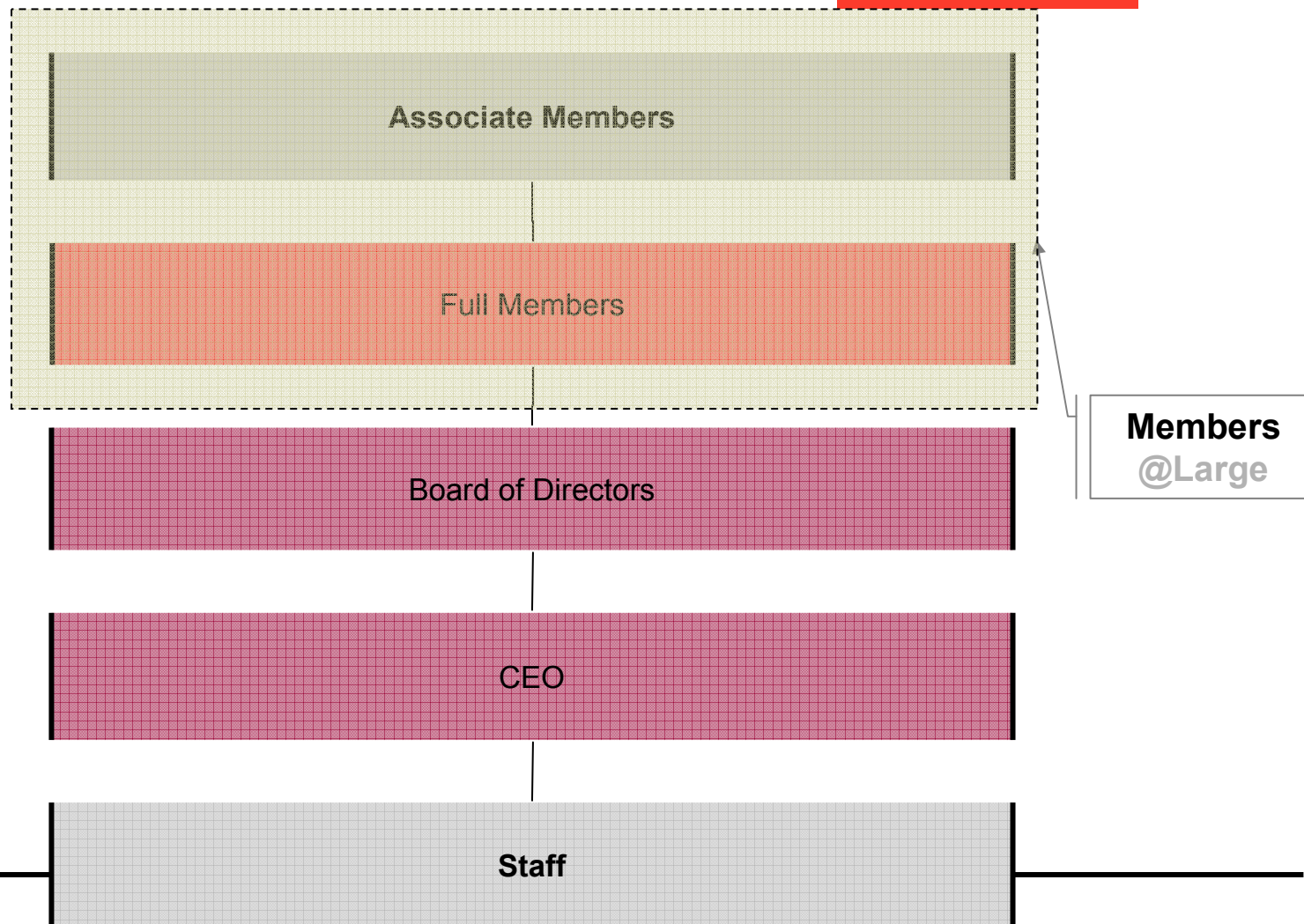
Conclusion



# AfriNIC Structure Update

- After the first review of our constitution we have come up with the following proposal for changes:
  - Two categories of members:
    - **Associates Members**: All organizations or individuals who receive service from AfriNIC.
    - **Full Members**: Individuals who are legally registered at the Registrar of company according to the Mauritius Company Act. (They will be composed of then 12 persons elected by the Associates as their representatives – the Primaries + Alternates board members).
  - The Board will be composed of 7 Directors, comprising of six Primary Directors and the Chief Executive Officer.
- The new proposed constitution will be available for a public comment period before its final implementation.

# Overall Organization structure



## A proposal for an Advisory committee

- There is a proposal from the community for AfrINIC to have an Advisory committee which will advise the board on specific matters including policy issues:
  - Question:
    - How many people will compose it?
    - How will they be selected? Elected or Appointed?
    - For how long?



## To finish on 2006



- The summary of all our activities is in the Annual report that will be available at the end of this meeting.
- I will like to thank my team for the good job done.
- Also thanks to all our members for their support to what we are doing.
- 2007 will have its own challenges but we are confident that it will be a positive year too.



# 2007 Activity plan



What happened in 2006

**2007 Activity Plan**

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# What is coming up at AfrINIC?



- Quality of service to our members and the community.
  - Orient our services based on members' needs.
- Revision of the organisation of our policy documents and the language.
- Reinforced or communication mechanism with the community and Members.
- Continue follow up on Internet Governance.
- Improving our Network Infrastructure
- Training and meeting plan review



## Membership services

- Explore other categories of members.
- Revision of AfriNIC web site
- Already started:
  - Membership process assessment (ongoing)
  - Member survey and feedback on Training, meetings, member support, web site navigability etc... (ongoing)
  - My AfriNIC: AfriNIC member portal (ongoing)
  - Development of tools to support requests (DNS checker, CIDR calculator, MD5 Password Generator) (ongoing)
  - VoIP deployment for Internal use and extension to member support. (ongoing)



## Communication with members

- In order to be able to apply the “member first” principle, we need to be close to our members:
  - Finalize a formal communication plan/strategy (ongoing)
  - Release of **AfrINICnews** more regularly (ongoing)
  - Plan to hold regional meetings along with training sessions. (ongoing)
  - Set a continuous evaluation process for feedback from members: More focused mailing lists and forums on service to our members (ongoing)



## Policy and PDP

- Review of the AfrinIC policy development process (BoF).
- Review of Policy documents to simplify language and structure.
- Reorganized documents for easy access
  - Creation of a single policy manual
  - Creation of a supporting documents for all kind of requests. (2<sup>nd</sup> quarter of 2007)



## Special projects (R&D)

- Continue with the AIRRS(I) (African Internet Resource and Routing Statistics (Information) project and add further information and statistics (ongoing)
- Work on X.509: Implementation of a Certification Authority for:
  - AfrinIC members (to be used for MyAfrinIC) and WHOIS updates (ongoing)
  - Resource certification (RFC 3779)
- Anycast and DNSec for AfrinIC domain name infrastructure



# Engineering and Infrastructure



- MyAfriNIC deployment.
- Improve AfriNIC Infrastructure and Information systems Integration (ongoing).
- Diversify POPs in the region (Collocation in different IXP for WHOIS and reverse DNS services)
- Continue to improve Spam fighting measures on AfriNIC infrastructure.
- Activation of an Internet Routing Registry for our region.

# Training and Meeting plan

- Up to now we had 19 training sessions all over Africa (3 sessions in South Africa, two in Mauritius and two in Nigeria).
  - We want the sessions to be more efficient and deliver the right training that the members want.
  - Revision of training Material to integrate feedback from the community. (ongoing)
  - More detailed supporting documents for training (ongoing)
  - Integration of MyAfrinIC functionality to the training materials.
  - Organize a training of trainers session to experiment a decentralization of LIR training sessions around the continent.
- Proposal to move our AGM starting in 2008 to the second Annual meeting.
  - Investigate regional meetings
  - Improve remote participation (jabber, streaming, podcast, live transcript, etc..)



## Finance



- 2007 is a key year for AfrinIC financial autonomy. Our budget will integrate 100% of South Africa's operational budget which is something close to 165,000 USD (including Salary of technical staff working from South Africa).
- Started analysis of our membership fees (ongoing)



## Internet governance

- The debate on Internet governance will continue and this year there will be the second IGF meeting in Rio.
  - Need to continue to follow the discussions
  - Continue and reinforce our communication toward governments and policy makers.
  - Working with other Internet governance bodies to co-organize policy makers oriented meetings and round tables on IG in Africa.



# 2007 Budget



- What happened in 2006
- 
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- 2007 Budget**
- Proposed Fees structure for 2008
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## Introduction



**Our 2007 Budget will be build on the positive results achieved in 2006 and lay the foundations for financial stability in the years to come**

### **Income**

- In 2005, Contribution of existing members transferred from other registry has been the main source of income
- In 2006, AfrINIC members contribution was the main source of revenue
- In 2007, membership contribution and growth in new members will remain the main source of income and should cover Operations in South Africa.

### **Expenditure**

- AfrINIC will take all the operating costs of the South African operations
- Operating costs will increase due to the above as well as due to employee growth and travel.

## 2007 Budget - Income forecast

**AfriNIC Forecasts Membership income to be 45% more than budgeted in 2006**

### AfriNIC Limited Budget 2007

Membership fees  
 Grants  
 Interest Income  
**Total Income**

	Budget 2006 Total	Budget 2007 Total	Budget % Change
Membership fees	635,648	<b>924,038</b>	45%
Grants	209,450	<b>40,000</b>	-81%
Interest Income	8,000	<b>39,000</b>	388%
<b>Total Income</b>	<b>853,098</b>	<b>1,003,038</b>	13%

## 2007 Budget - Expenses

### AfriNIC Limited

#### Budget 2007

##### Administrative expenses

HR	306,198
Telephone & Communications	29,150
Computer expenses	11,300
Office expenses	50,731
Motor vehicle expenses	2,000
Insurance	300
Printing, postage & stationery	5,500
Bank charges	4,900
Auditors fees	5,500
Depreciation	-
Legal & Consulting fees	7,000

##### Total Administrative expenses

##### Distribution expenses

Advertising expenses	9,000
Bad debts	5,000
Meeting and seminars expenses	32,124
LIR Training	10,000
Travelling & Accommodation expenses	173,000
Entertaining expenses	4,500
Car rental	6,000
Contribution	25,000

##### Total Distribution expenses

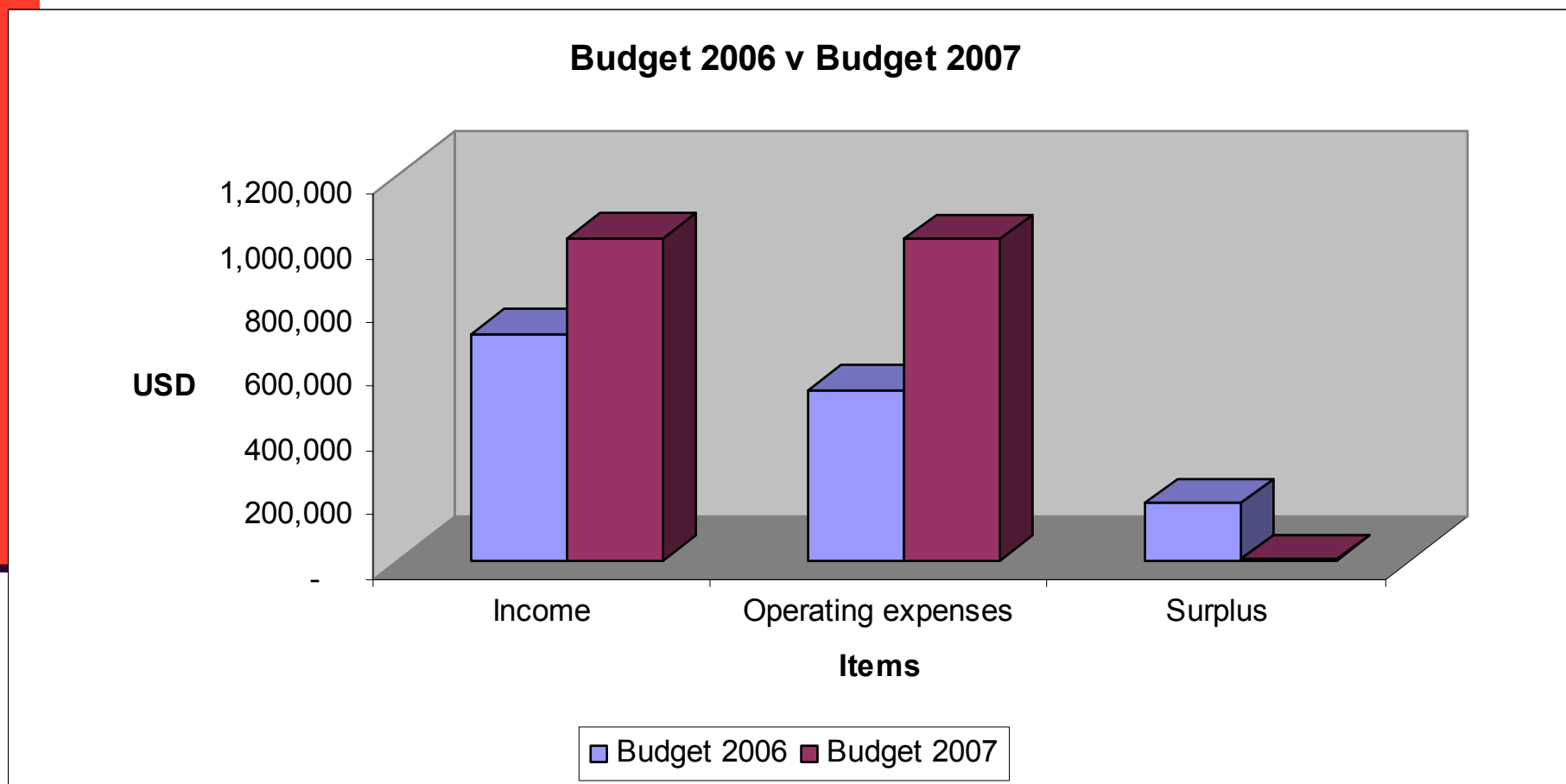
##### Total Operating expenses

## Budget 2007– OPEX

Budget 2006 Total	Budget 2007 Total	Budget % Change
-		
306,198	<b>379,126</b>	24%
29,150	<b>61,114</b>	110%
11,300	<b>6,601</b>	-42%
50,731	<b>56,381</b>	11%
2,000	<b>12,731</b>	537%
300	<b>2,419</b>	706%
5,500	<b>12,000</b>	118%
4,900	<b>9,000</b>	84%
5,500	<b>3,000</b>	-45%
-	<b>26,383</b>	
7,000	<b>29,826</b>	326%
<b>422,579</b>	<b>598,581</b>	42%
-		
9,000	<b>14,844</b>	65%
5,000	<b>52,563</b>	951%
32,124	<b>79,475</b>	147%
10,000	<b>26,400</b>	164%
173,000	<b>205,377</b>	19%
4,500	<b>1,000</b>	-78%
6,000	<b>5,700</b>	-5%
25,000	<b>17,500</b>	-30%
<b>264,624</b>	<b>402,859</b>	52%
<b>687,203</b>	<b>1,001,440</b>	46%



## Budget 2006 vs. Budget 2007



**Operating Surplus for the year = \$1,600**

## Budget 2007 – CAPEX

Capex budgeted for the year 2007 will be \$46,000 compared to \$26,000 in 2006

<b>CAPEX</b>	<b>Additions</b>
Computers	26,400
Software	3,200
Office setup	5,000.00
Office furniture	2,000
Office machine	5,700
Telecommunication	3,700
	<hr/>
	46,000.00
	<hr/>



## Budget 2007 – Cash flow

### AfriNIC Limited Cash Flow forecast 2007

Year 2007

Balance b/f	<b>250,000.00</b>
<b>Income</b>	
Receiveables (93%)	871,474.50
Grants	40,000.00
Interest income	39,000.00
	<b>950,474.50</b>
<b>Administrative expenses</b>	
HR	379,125.93
Telephone & Communications	61,114.37
Computer expenses	6,600.80
Office expenses	56,381.00
Motor vehicle expenses	12,730.96
Insurance	2,419.35
Printing, postage & stationery	12,000.00
Bank charges	9,000.00
Auditors fees	3,000.00
Legal and consulting fees	29,825.80
	<b>572,198.22</b>
<b>Distribution expenses</b>	
Advertising expenses	14,843.75
Meeting and seminar	79,475.00
LIR Training	26,400.00
Travelling & Accomodation expenses	205,377.40
Entertaining expenses	1,000.00
Car rental	5,700.00
Contribution	17,500.00
	-
	<b>350,296.15</b>
CAPEX	<b>46,000.00</b>
<b>Total Outgoing cash flow</b>	<b>968,494.37</b>
Balance c/d	<b>231,980.13</b>
Reserves	600,000.00
<b>Available cash for 2007</b>	<b>831,980.13</b>



# 2007 Budget



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## Background



- Actual Membership fee structure is back to 2004
    - Transition measures
    - Based on the model applied by RIRs previously serving the region
    - No coherent scale between member categories
  - In 2004 we asked our members in support to the start up process by allowing to keep the inherited fees for the first 3 years of operation before trying any change.
  - Few measures for IPv6 assignments
  - Honor Membership category not well defined
-

## LIR members fees structure review

- Present fee structure has 5 categories
  - Extra-Small (1,750 USD - /22 to /21)
  - Small (2,250 USD - >/21 - /19+)
  - Medium (6,500 USD - /18 - /16)
  - Large (13,000 USD - >16 - /14)
  - Extra Large (20,000 USD - >/14)
- There is no consistency in the size of network between each categories.
- There is no limit for the Extra Large category
- Keep homogeneous scale between each category
- Fair in category against network size (2 to 4 bits shift between each category).



## Other proposed changes

- More precision on IPv6 LIR membership
  - No fee associated with existing IPv4 LIRs
  - Special discount for new LIRs
    - 50% on the setup fee, 100% the first year
    - 75%, 50% and 25% for the consecutive years
- Offer 50% discount on membership and setup fee for University and Research Organization's network.
- Reopen Membership to Individual persons after approval by the Board. No change to the annual membership fees, but fees will be paid every 3 years in advance (300 USD).



# 2007 Budget



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## Thanks



- To the Government of South Africa
- To the Government of Mauritius
- To the Government of Egypt
- To the Government of France
- The NRO

***who supported the incubation period.  
They can be ensured today that the  
Organization is up and running on its  
own feet.***



*Thank You*