



**RIPE NCC**

RIPE NETWORK COORDINATION CENTRE

# Open House: Draft Activity Plan and Budget 2024

1 November 2023 | RIPE NCC Open House



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# Draft Activity Plan and Budget 2024

# Key Points for 2024

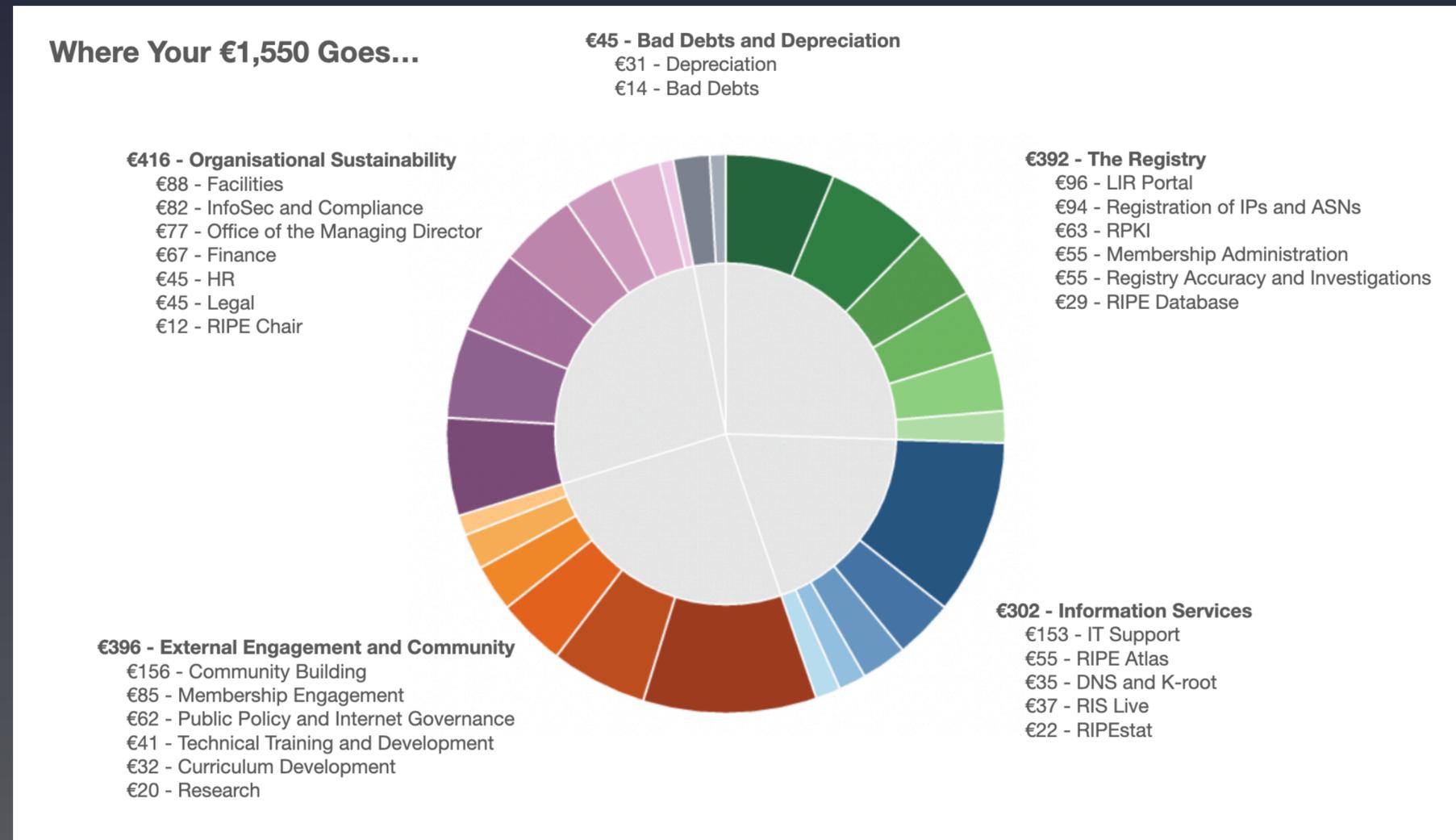


- A focus on efficiency and budget reductions
  - We are cutting our budget by EUR 2 million (from 40M EUR to 38M EUR in 2024)
  - While ensuring the same high level of service quality
- Main areas of savings: cutting back on Consultancy, Information Technology, Outreach and Public Relations, Contributions, and Travel
- Our strategic focus points for the year
  - Data and tools
  - Stability and financial strength
  - Resilience to political and regulatory challenges
  - Security and compliance with best practices

# Budget Visualisations



- New budget visualisations added to the Activity Plan this year



# The Registry



- The Registry budget reduced, with the main savings coming from optimisation of tools and reduction in licences
- Making our processes more efficient through greater automation, such as in our Registry Monitoring and LIR Portal activities
  - This helps to offset the increased sanctions compliance workload
- We have introduced tools to be more responsive to member feedback, such as the Net Promoter Score (NPS)

# Information Services



- Developing our tools and data is one of our priorities for the year
- The main change will be an upgrade to our data storage backend, where we will introduce tiered storage to save costs with data moved to higher performance storage and lower performance storage used for archives
- We are also working on containerising several applications to maintain uptime, resilience and scalability

# Community & Engagement



- To lower costs, we are focusing on our most effective engagements and reducing our involvement elsewhere
  - No RIPE NCC Days in 2024
  - Will continue with RIPE and regional meetings (MENOG, SEE, CAPIF)
  - Also exploring other forms of engagement: local hubs, cost-sharing models for hosted workshops, developing RIPE NCC Forum and Translations Platform
- Research activity is now under this pillar, as the data insights from this activity help support our efforts to inform policy makers and the technical community

# Organisational Sustainability



- Security and compliance, resilience and risk management are our main priorities in this area
  - Sanctions keep our Legal team busy and increase costs in the Registry and Organisational Sustainability areas
  - Our Information Security, Risk and Compliance teams are working to keep the RIPE NCC resilient to threats through risk management frameworks like the ISO 27000 series
  - We must account for financial challenges (revenue at risk, LIR consolidation, inflation)
- Finally, we are improving our corporate structure and internal processes to ensure we operate as effectively as possible



# How to Stay Involved

- We are publishing a series of RIPE Labs articles on the plans and budget for each pillar of the RIPE NCC
- Share your feedback on the Members Discuss mailing list and at the Autumn General Meeting
- Follow the consultation page:  
<https://www.ripe.net/participate/mail/member-and-community-consultations/draft-activity-plan-and-budget-2024-feedback>
- Final Activity Plan and Budget 2024 will be approved by the RIPE NCC Executive Board at their December meeting



**From the RIPE NCC  
Survey 2023**

# RIPE NCC Survey Takeaways



- Overall, people like and trust the RIPE NCC
- Diversity of countries, languages, roles responding means results are very representative of the entire service region
- Ratings for service delivery are very impressive
- People care about maintaining the stability of the global Internet
- There is a lot of support for our current set of activities (information services, training, defending the RIR system)
- Most common concerns mentioned are about:
  - Costs
  - IPv4 scarcity

# RIPE NCC Survey Takeaways



- Security is again a big issue for our members (information, training and analysis requests all have security topics at the top)
- Training and knowledge-building on security, RPKI and IPv6 comes through as a strong request
- Requests for very simple instructions on how to do things also comes through strongly
- For all applications, better user interfaces are requested
- Language support is mentioned throughout the survey



# Next Steps

- We continue to analyse the survey data with Survey Matters
- The survey data provides excellent feedback and support for our activities, and we will reference it frequently going forward
- The report is published and provides good context for the Activity Plan and Budget discussions
- Survey Matters will present the report at RIPE 87
- We will publish a list of key findings that we will work to address in the coming year(s)



**Questions**





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# RIPE NCC Open House

**Draft Activity Plan and Budget 2024**

**Simon-Jan Haytink**

# Executive Board and RIPE NCC Finances



- The RIPE NCC Executive Board:
  - Is responsible for the overall financial position of the RIPE NCC
  - Represents the membership and provides guidance to the RIPE NCC Senior Management
  - Approves the Activity Plan and Budget
  - Proposes a Charging Scheme for members to vote on
  - Evaluates and signs off on the RIPE NCC Annual Report and Financial Report
  - Reviews the RIPE NCC's periodic and year-end financial statements

# Budget 2024



- Forecast reduction in income early 2023
- No Change Vote by membership at May 2023 GM:
  - Executive Decision to already start cutting costs in 2023
- New Financial Governance in place since 2020:
  - Ensured a better position to focus on cost savings
  - Being able to hit the brakes early on in 2023 provided good starting point for Budget 2024
  - Ensured a forecast loss of a moderate (86 kEUR) over 2023
    - Which could have been over (1.8 million) if no action was taken
- 2024 Budget based on run rate 2023
  - Inflation over 2023 will have strong impact on budget space 2024

# 2024 Budget & 2023 Forecast



	<b>B2024</b>	<b>2023</b> FORECAST	<b>B2023</b>
Income (in million EUR)	<b>38.0</b>	38.2	40.0
Expenditures (in million EUR)	<b>38.0</b>	38.3	40.0
Redistribution (in million EUR)	-	-	-
Financial Result (in million EUR)	<b>0.4</b>	-	0.1
Surplus (in million EUR)	<b>0.4</b>	<b>(0.1)</b>	0.1
Number of LIRs	<b>21,500</b>	22,500	22,500
Average Cost per LIR (EUR)	<b>1,767</b>	1,702	1,718

# Budget Cutting



- We have not cut FTEs or remuneration
  - The RIPE NCC relies on its staff:
    - Staff are the reason we can provide the services we do
    - Their efforts represent 60% of our 2024 draft budget
    - We need to retain and attract qualified and knowledgeable staff
    - RIPE NCC's Strategy Objective Five: 'attract engaged, competent and diverse staff'
    - Intention to keep providing RIPE NCC staff with opportunities to grow
      - Within reason

# Budget Cutting



- We have not cut activities:
  - Feedback from the RIPE NCC member survey was positive overall
  - Members appreciate services across the board
  - However, if members expect continued budget cuts year over year
    - We may have to cut activities in the future

# Budget Cutting



- This does mean increased pressure on the remaining 40% of our cost budget
  - All cost savings have come from these costs/other operating expenses
    - 18% budget over budget
  - And we will have to cope with inflation too
- This is an exercise we will not be able to do every year

# Budget 2024



- All divisions are cutting costs which has not been an easy task
- In co-operation with Budget Holders:
  - Tough decisions have been made
  - Focus on critical items to serve our community
  - It has not been easy but we are convinced we will be able to manage in 2024
  - Focus has been to ensure we can continue to deliver services to our members
- Top 5 areas for costs savings:
  - 1.8 million or 36% in Consultancy
  - 0.8 million or 18% in Information Technology
  - 0.4 million or 14% in Outreach and Engagement
  - 0.3 million or 19% in Contributions
  - 0.2 million or 20% in Travel

# Budget 2024 Cost Savings



- Consultancy:
  - Largest area of savings with a reduction of EUR 1.8 million
  - Mainly due to the reduction of 8.5 consultants
  - Four were fully removed, two and a half became FTEs and two moved to Employer of Record
- Information Technology:
  - Significantly reduced costs for our IT software licences following a critical review
  - Reducing our data centre presence by 50% over the course of 2024
- Outreach and Engagement:
  - Budget for Outreach and PR will be reduced by 386 kEUR
  - We will not be holding our RIPE NCC Days event in 2024
  - Scaling back hackathons, deployathons and Internet Measurement Days

# Budget 2024 Cost Savings



- Contributions
  - Overall amount of our contributions reduced by 289 kEUR
  - Reduced our budget for the NRO shared costs contribution to 400 kEUR
    - 200 kEUR less than in 2023
  - Lower contributions towards Public Policy and Internet Governance initiatives
- Travel
  - 116 fewer trips in 2024 than in 2023
  - Cut back significantly by 237 kEUR compared to 2023 budget

# Budget Cutting



- We are confident we will be able to manage with this draft budget
  - Inflation will remain a question mark
- This cost cutting exercise is not something we will be able to do year on year



**Questions**

