As in prior years, the 2018 final budget proposal will:

- Be much more detailed will be
- Provide the standard tables and annexes
- Take into account feedback from AC and EB

Exchange Rate

- Rate for 2017 budget preparation used for 2018 preview
- Current exchange rate trends may impact on 2018 final budget
2018 budget will be pivotal:
• To prepare for increase in delivery in IFAD11
• To position IFAD as a recognized top performer in all aspects of its operations
• To frontload decentralization, reduce delivery time, and speed up disbursement.
• To undertake groundwork to build capacity and increase efficiency

2017: The projected PoLG remains at US$1.5 billion.
2018: PoLG planned at US$ 877 million, which will allow room to build up significantly larger pipeline for 2019.
Cost Drivers

2018 Cost Drivers

• staff costs arising from decentralization and anticipated organizational changes;
• decentralization and ICO-related support costs;
• costs related to increased average PoLG level during IFAD11;
• depreciation and other recurrent expenses related to capital budgets;
• recurrent expenses arising from the drive for excellence in order “to do development differently”; and
• price-related cost drivers.
Three components to 2018 Budget Proposal

2018 Regular Budget Proposal (Preview)
- 2018 regular budget proposed at US$157.82 million versus US$149.42 million approved for 2017
- Represents a 5.6% nominal increase
- Comprised of a real increase of 4.6% and a price increase of 1%

Capital budget
- Capital budget being developed – not expected to exceed US$2.5 million

One-time and capital OpEx Budget
- OpEx budget: current estimate of US$10-12 million. A better estimate will be provided in final budget document.
2018 High-Level Preview

Thank you