



2018 High-Level Preview

**Executive Board  
September 2017**

# Introduction

**Document is a preview – numbers/assumptions may change**

**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

# Context

## IFAD11

- **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

## Programme of Loans and Grants

- **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.



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**Thank you**