Document:	EB 2021/134/R.3/Corr.1
Agenda:	4(a)(i)
Date:	8 December 2021
Distribution:	Public
Original:	English

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IFAD
Investing in rural people

IFAD's 2022 results-based programme of work and regular and capital budgets, the IOE results-based work programme and budget for 2022 and indicative plan for 2023-2024, and the HIPC and PBAS progress reports

Corrigendum

Note to Executive Board representatives

To provide members with adequate time for review, this document is being posted unedited in English only

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Executive Board — 134th Session
Rome, 13-16 December 2021

For: **Approval**

IFAD's 2022 results-based programme of work and regular and capital budgets, the IOE results-based work programme and budget for 2022 and indicative plan for 2023-2024, and the HIPC and PBAS progress reports

Introduction

1. Subsequent to the deliberations during the 163rd session of the Audit Committee, discussions held at the 5th meeting of Convenors and Friends and a subsequent informal consultation session with the Executive Board, management is hereby presenting a revised IFAD's 2022 results-based programme of work and regular and capital budgets, the IOE results-based work programme and budget for 2022 and indicative plan for 2023-2024, and the HIPC and PBAS progress reports (EB 2021/134/R.3) proposal.

2. Management draws the attention to the Executive Board that this revision proposes a reduction of the proposed increase in IFAD's regular budget by 1.01 percentage points, resulting in a real budget growth of 3.74 per cent or a final proposal of US$167.7 million. The detailed strategic prioritization revision exercise conducted reveals that further reductions would be strongly detrimental to the capacity of IFAD to deliver on its mandate and the commitments agreed with member states as targets for IFAD12, which remain unchanged. IFAD has promised to double its impact by 2030 and further reductions in IFAD's budget would be contradictory to this trajectory. Member states have asked and have approved greater ambition with respect to gender, climate, nutrition, youth, private sector, targeting, biodiversity and ICT4D in IFAD12.

3. This reduction in the budget proposal mainly impacts Decentralization 2.0, which is the main cost driver of the 2022 IFAD's budget proposal and it is one of the key initiatives of IFAD's journey to doubling and deepening its impact, ultimately delivering better and more efficiently to the people we serve. For this reason the revision is based on the principle of adjustments in the planned phases for Decentralization 2.0 delivery, a strategy that will defer some of the costs into future years, ensure no momentum is lost in overall implementation and further mitigate risks in building capacity or unforeseen challenges. Maintaining momentum is particularly essential for the West and Central Africa (WCA) and East and Southern Africa (ESA) divisions. The total value of the budget revision is estimated to be US$1.7 million.

4. While the revised phasing of the Decentralization 2.0 plan reduces the originally proposed budget real increase from 4.75 per cent to 3.74 per cent, the price increase of 1.5 per cent does not wholly factor in predicted inflation levels expected in 2022. The inflation adjustment for the 2022 budget is based on the agreed methodology, using specific inflation numbers for several line items and an indication of the global and Italian consumer price indexes for all other costs. A detailed review was performed of the actual consultancy and travel costs incurred in 2020 and 2021 to determine the inflationary components of such drivers. However, it is becoming evident that global annual inflation in the EU, US and numerous fragile contexts that IFAD increasingly operates in as we further decentralize is much higher. The global economic outlook, particularly inflation and currency volatility, will lead to further constraints on budgetary resources. IFAD has already received advanced notifications from key suppliers

and is applying further efficiencies in 2022 to absorb the impact of these price increases.

5. Even though the impact of this reduction in the 2022 budget proposal is on Decentralization 2.0, IFAD wants to emphasize that its overall target and ambitions to achieve 45 per cent of staff in the field by 2024 remains unchanged. The rephrasing of ICO upgrades and implementation of new ICOs will result in an impact on the 2023 proposal where real budget growth is to be expected.

6. While other areas were looked at in search of efficiencies, it has been concluded that continuing to invest in reforms that streamline internal processes and improve the agility of IFAD in delivering on its role to further rural transformation, is paramount to achieving what IFAD has set out in its overall medium term Strategy, including the target of 45 per cent of field presence.

7. The revised Decentralization 2.0 phasing plan generating a total saving of US$1.7 million incorporates the following:

   (i) In the West and Central Africa (WCA) region, deferring the establishment and upgrade of carefully selected CD and CPO-led offices in Burkina Faso, Mali, Chad and Liberia from between 3 and 6 months, generating a saving of US$372,300;

   (ii) In the East and Southern Africa (ESA) region, deferring the establishment and upgrade of carefully selected CD and CPO-led offices in Uganda, Malawi, Mozambique, Madagascar, Rwanda, Angola and South Sudan from between 3 and 9 months, generating a saving of US$553,900. Regarding the cost estimates for the upgrade of the Regional Office in Kenya, at the time of budget IFAD took a conservative approach and projected a higher cost for the premises, as negotiations were not yet concluded. This has now evolved and IFAD secured a cheaper option that also fits the long-term needs of the regional office. Considering that IFAD will pay full rent for the premises at UNON, the additional savings are estimated at US$412,800;

   (iii) In the Near East, North Africa and Europe (NEN) region, deferring the establishment of the CD-led office in Uzbekistan by 9 months, generating a saving of US$124,000;

   (iv) In the Latin America and Caribbean (LAC) region, deferring the implementation of the Regional Office to 2023, generating a saving of US$240,200; and

   (v) In the Asia Pacific Region (APR), the original plan already positioned the establishment of the regional office in the fourth quarter of 2022. This meant deferring this to 2023 would generate minimum savings in the context that the expectation is for rent free premises. With this in mind, and considering this region represents a third of IFADs overall Programme of Loans and Grants, only minor adjustments were made.

8. The prioritization review exercise and analysis has shown that further cuts in the budget’s real increase would have a significant impact in the work plans of all departments, especially if applied to consultancy or travel costs, and can bring to light various unwelcomed ramifications. It is useful to recollect that in recent years these budget lines have already been reduced significantly during the IFAD11 period of zero real growth. Consultancy costs have been reduced by 10 per cent in the 2022 proposal, when compared with the IFAD11 period average while travel costs have been reduced by 34 per cent when compared to 2020 levels.

9. There are 4 broad areas where further budget restrictions could have adverse implications for IFAD’s strategic goals, namely (i) maintaining robust programme delivery in a decentralized environment; (ii) maintaining the

momentum of efficiency gains from reform initiatives and resilient administrative capacity; (iii) keeping IFAD on the trajectory of its new business model with the development of new financial products and (iv) advocacy and external engagement agenda:

(i) **Maintaining robust programme delivery in a decentralized environment**. Delays 2023 project designs that need to happen 6 – 12 months in advance and continue to supervise remotely an overall portfolio worth more than US$7.4 billion, posing substantial difficulties for country delivery teams to assess the validity and credibility of project results data and all project-related fiduciary aspects;

The quality of portfolio management would be affected with further cuts to travel and consultancy budgets as IFAD would not be able to conduct full missions and support governments to bring their projects back on track after more than a year of low implementation speed due to COVID-19, as well as supporting governments' requests for technical support to build back post pandemic;

This would hinder IFAD's ability to attract specialized expertise and provide greater support to operations in key areas of work to be delivered in IFAD12, specifically around gender, nutrition, biodiversity and agro-ecology initiatives, as IFAD continues to build its internal capacities in the medium to long-term;

As IFAD's active portfolio grows (IFAD will have more than 180 projects under implementation at the end of 2021), budget cuts will impede high quality support to operations in specialized areas, to build adaptive delivery, to ensure results and impact on the ground. SECAP is another area of priority which requires technical expertise as well as more operational assessments. This will be increasingly critical as the BRAM is rolled-out since there will likely be requests for hard investments that require strong safeguards. Reductions in consultancies will result in slower and less comprehensive SECAP roll out across the portfolio;

Management has already made efforts to streamline travel, however the learnings from the past two years indicated that physical missions cannot be substituted for. As travel resumes, it will be even more critical for missions to undertake validations of data that has so far been collected remotely;

(ii) **Maintaining the momentum of efficiency gains from reform initiatives and resilient administrative capacity**. Impact on the capacity to implement areas of operationalization of the enterprise risk management framework, such as enabling the launch of the Strategic Risk Management unit and ensuring the correct functioning of the 4 risk committee's secretariat which are crucial for ensuring there is no deterioration of our credit rating, an outcome that would undermine amongst others, the Borrowed Resource Access Mechanism (BRAM). It is imperative to build the safeguards to protect IFAD credit ratings. This would also impact adversely the operationalization of the incident and loss data warehouse.

Decreasing IFAD's capacity in ensuring the business continuity and resiliency of its IT systems, with higher risk of interruption of business continuity and significant delays in the recovery of the business services, especially around document accessibility and retrieval systems which are critical tools of ICOs and the processing of project disbursement records. This is more important than ever under the pandemic context where every business workflow fully depends on technology;

(iii) **Keeping IFAD on the trajectory of its new business model with the development of new financial products**. Impact on IFAD's ability to continue to invest in increasing its portfolio of global development partners and investors, and continue to improve compliance and risk mitigation measures. IFAD12 will be pivotal for The Fund to maximize its efforts to becoming a fully-fledged DFI by implementing IFAD's EMTN programme at its fullest potential, securing strategic ties with additional global partners, investors and creditors that can further support IFAD's mission. IFAD must also continue working on establishing IFAD's own loan pricing methodology, in an effort to further safeguard the financial sustainability of its Balance Sheet, and consolidating its Asset Liability Management capabilities by finalizing needed investments in its Treasury, Accounting and Risk Management systems;

Hindering the capacity to manage the higher volume of transactions and growth that IFAD foresees, not only in its core programme, but also in climate and other thematic funding areas requires further enhancements that are already planned in order to consolidate resource needs in financial crime, anti-money laundering and data protection (which are also non-negotiable to continue securing copious resources through other supplementary funding mechanisms, which IFAD endeavours to secure to enhance its overall Programme of Work);

Reductions will also critically have a negative impact on IFAD's ability to report credibly on how much difference its investments make on the ground, including the impact of its investments on income, economic mobility, production ability, market access and resilience (goal and IFAD's strategic objectives);

(iv) **Accelerating IFADs advocacy and external engagement agenda**. Limited investments could bring IFAD backwards in terms of the gains made in 2021 to position The Fund more visibly and its capacity to influence and follow-up on key global policy processes, such as Food Systems Summit commitments, G20 work streams, Committee on World Food Security and the Finance in Common Summit, as well as undermining IFAD's ability to engage in high-level key strategic partnerships, such as US-based UN organizations, World Bank meetings, UN General Assembly, as well as engagement with RBAs on SSTC work plans.

There is the risk of an adverse impact on planned external advocacy and resource mobilization, such as outreach for the Private Sector Financing Programme and engagement with foundations, both critical to enhance fundraising efforts. Further cuts in these areas might put IFAD in a situation where it becomes even more dependent on higher replenishments to maintain financial sustainability; Moreover, there could be an impact on the ability to deliver on the recently approved new strategic communications approach, including revamping IFAD's website and growing The Fund's social media presence;

10. Over the course of IFAD12, the Fund has committed to deliver its highest ever borrowing programme, in order to support record levels of programme delivery needs in all of IFAD's global operations. With less than a decade of action still remaining, IFAD is making an effort to do its part in achieving SDG1 and SDG2. The approval of the various financial reform policies over the last triennium has made it possible for IFAD to secure in 2020, and maintain in 2021, an extremely strong AA+ credit rating, with its newly established Euro Medium Term Note (EMTN) programme listed in early December 2021, also receiving the same assessment. It is now time to invest in the implementation and streamlining of IFAD's financial reform policies into its daily business operations, which will allow IFAD to continue securing, if not endeavouring to improve, its credit rating and international standing as a Development Finance Institution (DFI). Failure

to do so, would also weaken the safeguards put in place so far to protect our ratings and may potentially result in the endangerment of the BRAM concept.

11. In light of the above, Board members are now invited to consider this revision which introduces the changes applied in the aforementioned document and are reproduced here below for ease of reference.

Corrigendum

The attention of the Executive Board is drawn to the following corrigendum to the IFAD's 2022 results-based programme of work and regular and capital budgets, the IOE results-based work programme and budget for 2022 and indicative plan for 2023-2024, and the HIPC and PBAS progress reports (EB 2021/134/R.3). For ease of reference, changes to the document are underlined while strikethrough indicates deleted text.

Page vi Paragraph 7

The 2022 net regular budget is proposed at US$~~169.4~~ **167.7** million, representing a ~~6.25~~ **5.24** per cent nominal increase vis-à-vis the 2021 budget of US$159.4 million ~~(aligned with the high-level preview)~~.

Page vi Paragraph 8

The **main drivers of the** real increase ~~is the net effect of~~ **are**: (i) decentralization-related costs (US$~~7.16~~ **3.33** million), such as recruitment and relocation and establishment of new IFAD Country Offices (ICOs); (ii) net real staff cost increases (US$4.90 million) resulting from the implementation of the McKinsey human resources study; and (iii) depreciation (US$0.40 million), ~~offset by~~ **whereas** a real decrease **is seen** in consultancy (US$3.02 million) and travel costs (US$0.62 million).

Page vi Paragraph 9

In regard to the gross budget for 2022, the proposed amount of US$~~176.2~~ **174.5** million includes US$6.8 million to cover the cost of managing operations funded by supplementary funds, which are external but complementary to the PoLG.

Page 1

Recommendation for approval

The Executive Board is invited to approve:

- The recommendation on IFAD's 2022 results-based programme of work and regular and capital budgets, the budget of the Independent Office of Evaluation of IFAD (IOE) for 2022 ~~and the drawdown for the Targeted Capacity Investment~~; and
- The carry-forward of unobligated appropriations at the close of the 2021 financial year into the 2022 financial year up to an amount not exceeding 5 per cent of the corresponding appropriations.

Furthermore, the Executive Board is invited to consider the draft resolution contained on page 55 and to submit it, together with its recommendations, to the Governing Council at its forty-fifth session in February 2022 for consideration and adoption.

Page 3 Paragraph 16

This shift is expected to occur first in the West and Central Africa, ~~and~~ East and Southern Africa **and Asia and Pacific** regions, which will be transitioning in 2022, followed by ~~the Asia and Pacific, and~~ Latin America and Caribbean region~~s~~, which will start the transition process in 2023.

Page 12 Paragraph 63

After three years of budgetary austerity, IFAD is not in a position to absorb the cost of implementing such complex initiatives within its regular budget. Hence, a real budget increase of ~~4.75~~ **3.74** per cent is proposed.

Page 19 Paragraph 98

The final real and price-related cost drivers for the 2022 budget proposal are as follows:

(i) **Real cost drivers**:

Decentralization 2.0 – Redefining IFAD's field presence landscape and new field presence

- The projected real increase in the 2022 budget related to D2.0 is estimated at US$~~5.65~~ **3.33** million.

Page 20 Paragraph 99

The overall proposed real increase in the 2022 budget is ~~4.75~~ **3.74** per cent and the projected price increase is 1.5 per cent compared to 2021.

Page 20 Paragraph 100

The projected total cost increase for these two major cost drivers is between **around** US$~~9.5~~**9** million~~ and US$10.2 million~~ depending on the final selection of D2.0 locations and facilities. ~~The majority~~ **A portion** of this cost increase can be covered by the proposed real budget increase of ~~4.75~~ **3.74** per cent (US$~~7.6~~ **6.0** million). ~~In addition, between US$1.9 million and US$2.6 million~~ Another portion of the cost increase **from all cost drivers** will be offset by a reduction in consultancy costs and travel costs in the amount of US$3.6 million compared to the approved 2021 budget.

Page 20 Paragraph 102

The 2022 net regular budget is proposed at US$~~169.4~~ **167.7** million, representing a ~~6.25~~ **5.24** per cent nominal increase compared to the 2021 budget of US$159.4 million~~ (as estimated in the high-level preview)~~.

Page 20 Paragraph 103

The **main drivers of the** projected nominal increase~~ is the net effect of~~ **are**: (i) decentralization related costs (US$~~7.16~~ **3.33** million), such as recruitment and relocation and establishment of new ICOs; (ii) net real staff cost increases (US$4.9 million); and (iii) depreciation (US$0.4 million). ~~These amounts~~ **The nominal increases** are offset by: (i) a net real decrease in travel (US$0.6 million); and (ii) a net real decrease in consultancy (US$3.0 million).

Table 6
Regular budget by department, 2021 and 2022
(Millions of United States dollars)

Department	*Approved 2021*	*Proposed 2022*	*Total change*	*Change (percentage)*
Office of the President and Vice-President	2.77	2.81	0.03	1.4
Corporate Services Support Group	10.73	11.87	1.14	10.6
External Relations and Governance Department	17.22	18.08	0.86	5.0
Strategy and Knowledge Department	15.82	19.59	3.77	23.8
Programme Management Department	60.52	~~61.75~~ **61.59**	~~1.22~~ **1.07**	~~2.0~~ **1.8**
Financial Operations Department	13.12	13.43	0.31	2.4
Corporate Services Department	28.53	30.52	1.99	7.0
Corporate cost centre (allocable)	6.35	~~6.62~~ **5.08**	~~0.27~~ **(1.27)**	~~4.3~~ **(19.9)**
Corporate cost centre (not allocable)	4.35	4.70	0.35	8.0
Total	**159.41**	~~**169.37**~~ **167.67**	~~**9.96**~~ **8.25**	~~**6.25**~~ **5.2**

Page 21 Paragraph 105 item viii

The ~~increase~~ **decrease** in allocable corporate costs is primarily due to **reductions in Decentralization 2.0 budgets due to the revised phasing for ICO upgrades** **and establishment of new ICOs.** ~~higher recruitment and reassignment costs, higher ICP-related costs, an increase in Microsoft licensing costs and a projected higher United Nations Development System contribution, offset by a reduction in the after-service medical costs budget~~.

Table 7
Analysis of budget by summary cost category, 2021 and 2022
(Millions of United States dollars)

Cost category	*Approved 2021*	*Proposed 2022*	*Total change*	*Change (percentage)*
Staff	95.46	~~101.23~~ **101.07**	~~5.78~~ **5.61**	~~6.1~~ **5.9**
Consultants	24.34	21.32	(3.02)	(12.4)
Duty travel	6.96	6.35	(0.62)	(8.9)
ICT non-staff costs	5.94	6.61	0.67	11.3
Other costs	26.71	~~33.87~~ **32.33**	~~7.16~~ **5.62**	~~26.8~~ **21.0**
Total	**159.41**	~~**169.37**~~ **167.67**	~~**9.96**~~ **8.26**	~~**6.25**~~ **5.2**

Table 8
Indicative breakdown of regular budget by results pillar, 2022
(Millions of United States dollars)

Department	*Pillar 1* *Country programme delivery*	*Pillar 2* *Knowledge building, dissemination and policy engagement*	*Pillar 3* *Financial capacity and instruments*	*Pillar 4* *Institutional functions, services and governance*	*Total*
Office of the President and Vice-President	0.10	0.22	0.04	2.44	**2.81**
Corporate Services Support Group	2.22	0.30	0.36	8.98	**11.87**
External Relations and Governance Department	1.16	7.21	3.43	6.29	**18.08**
Strategy and Knowledge Department	7.67	9.84	1.26	0.82	**19.59**
Programme Management Department	~~55.47~~ **55.31**	3.60	1.34	1.33	~~61.75~~ **61.58**
Financial Operations Department	5.63	-	6.94	0.86	**13.43**
Corporate Services Department	3.91	1.90	3.45	21.26	**30.52**
Corporate cost centre:	2.61	-	0.20	~~8.52~~ **6.98**	~~11.32~~ **9.78**
Corporate cost centre costs (allocable)	2.61	-	0.20	~~3.82~~ **2.28**	~~6.62~~ **5.08**
Corporate cost centre costs (unallocable)	-	-	-	4.70	**4.70**
Subtotal	~~78.77~~ **78.61**	23.07	17.03	~~50.49~~ **48.96**	~~169.37~~ **167.67**
Percentage allocation	~~46.51~~ **46.41**	13.62	10.06	~~29.81~~ **28.91**	**100.00**
Total					~~169.37~~ **167.67**

Page 23 Paragraph 113

The breakdown is slightly different than in 2021, with pillar 1 showing a slight decrease of ~~2.5~~ **2.6** per cent and pillar 2 increasing by 1.6 per cent. While pillar 3 has not changed in comparison with 2021, pillar 4 has seen a slight ~~increase~~ **decrease** of ~~0.8~~ **0.1** per cent.

Page 24 Paragraph 117

For 2022, the cost of supporting supplementary-fund-related work is US$6.8 million over and above the net regular budget of US$~~169.4~~ **167.7** million, which represents an increase of US$2.1 million compared to 2021.

Page 24 Paragraph 118

As a result, the gross budget proposed for 2022 amounts to US$~~176.2~~ **174.5** million compared with US$164.1 million in 2021. Approval is being sought only for the proposed net regular budget of US$~~169.4~~ **167.7** million. Table 9 provides a summary of the gross and net regular budget.

Table 9
Indicative gross and net budget for 2022
(Millions of United States dollars)

Cost category	*Approved 2021*	*Proposed 2022*
Gross budget	164.1	~~176.2~~ 174.5
Costs to support supplementary fund activities	(4.7)	(6.8)
Net budget	**159.4**	**~~169.4~~ 167.7**

Table 10
Efficiency ratios
(Millions of United States dollars)

	Actual 2016	*Actual 2017*	*Actual 2018*	*IFAD10*	*Actual 2019*	*Actual 2020*	*Projected 2021*	*Projected IFAD11*	*Projected 2022 (range)*	
PoW										
PoLG	790	1 307	1 159	3 256	1 660	878	1 074	3 612	925	1 200
Other IFAD-managed funds	84	125	171	380	181	28	275	484	100	100
Subtotal	**874**	**1 432**	**1 330**	**3 636**	**1 841**	**906**	**1 349**	**4 096**	**1 025**	**1 300**
Cofinancing	460	833	1181	2 474	3 398	1 079	1 880	6 357	1 242	1 242
Total POW	**1 334**	**2 265**	**2 511**	**6 110**	**5 239**	**1 985**	**3 229**	**10 453**	**2 267**	**2 542**
Value of portfolio under implementation at end of period	**6 846**	**6 860**	**6 846**	**-**	**7 051**	**8 608**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Total costs										
Regular budget	141.8	145.3	146.95	434.05	150.47	142.74	159.41	452.62		~~169.4~~ **167.7**
Costs to support supplementary fund activities	5	6	5.1	16.1	4.7	4.7	4.7	14.1		6.8
Total costs	**146.8**	**151.3**	**152.05**	**450.15**	**155.17**	**147.44**	**164.11**	**466.72**		**~~176.2~~ 174.7**
Efficiency ratio 1: Total costs/PoLG including other IFAD-managed funds	17%	11%	11%	12%	8%	16%	12%	11%	17%	~~14%~~ **13%**
Efficiency ratio 2: Total costs/PoW	11%	7%	6%	7%	3%	7%	5%	4%	8%	7%
Efficiency ratio 3: Portfolio/total costs	47	45	45	-	45	58	n.a.	n.a.	n.a.	n.a.

Page 54 Paragraph 208

- The administrative budget comprised of, first, the regular budget of IFAD for 2022 in the amount of US$~~169.4~~ **167.7** million; second, the capital budget of IFAD for 2022 in the amount of US$~~6.92~~ **6.5** million; third, the budget of the Independent Office of Evaluation of IFAD for 2022 in the amount of US$5.85 million; and ~~a drawdown of US$2.30 million for the Targeted Capacity Investment and reform~~.

Page 55 Draft Resolution

Draft resolution …/XXXXX

Administrative budget comprising the regular budget, capital budget and an Independent Office of Evaluation of IFAD budget for 2022~~, and a targeted capacity investment of IFAD for 2022~~

The Governing Council of IFAD,

Approves the administrative budget, comprising: first, the regular budget of IFAD for 2022 in the amount of US$~~169.4~~ **167.7** million; second, the capital budget of IFAD for 2022 in the amount of US$6.5 million; third, the budget of the Independent Office of Evaluation of IFAD for 2022 in the amount of US$5.85 million ~~and a drawdown of US$2.30 million for the Targeted Capacity Investment and reform as set forth in document EB 2020/131(R)/R.5~~, determined on the basis of a rate of exchange of EUR 0.835:US$1;

Page 57 Annex II

Regular budget by cost category and department, 2021 approved and realigned budget versus 2022 proposal

(Millions of United States dollars)

	Staff		*Consultants*		*Duty travel*		*ICT non-staff costs*		*Other costs*	
Department	*2021*	*2022*	*2021*	*2022*	*2021*	*2022*	*2021*	*2022*	*2021*	*2022*
Office of the President and Vice-President	2.53	2.56	0.05	0.05	0.05	0.04	-	-	0.16	0.16
Corporate Services Support Group	9.50	10.74	0.77	0.42	0.13	0.12	0.04	0.08	0.29	0.52
External Relations and Governance Group	11.91	12.84	1.84	1.26	0.51	0.47	0.11	0.14	2.85	3.38
Strategy and Knowledge Department	14.21	15.96	0.88	0.56	0.26	0.27	-	-	0.47	2.80
Programme Management Department	33.30	~~33.22~~ **33.06**	15.89	15.15	5.29	4.90	0.07	0.06	5.98	8.42
Financial Operations Department	9.96	10.55	2.45	1.83	0.35	0.32	0.06	0.08	0.31	0.65
Corporate Services Department	14.06	15.37	2.46	2.06	0.37	0.23	5.37	5.86	6.27	7.01
Corporate cost centre (allocable)	-	-	-	-	-	-	0.30	0.39	5.45	~~6.23~~ **4.69**
Corporate cost centre (not allocable)	-	-	-	-	-	-	-	-	4.95	4.70
Total	**95.46**	~~**101.23**~~ **101.08**	**24.34**	**21.32**	**6.96**	**6.35**	**5.94**	**6.61**	**26.71**	~~**33.87**~~ **32.33**

Indicative breakdown of 2022 regular budget by results pillar and institutional output group

(In millions of United States dollars)

	2020		*2021*		*2022*	
Pillar	*US$*	*% of total*	*US$*	*% of total*	*US$*	*% of total*
Pillar 1 – Country programme delivery						
Country strategies and programmes	6.57	4	7.30	5	6.90	4
Country-level policy engagement	2.13	1	2.34	1	2.05	1
Design of new loan and grant financed projects	14.85	9	13.26	8	14.71	9
Supervision and implementation support	27.71	18	27.98	18	~~28.42~~ **28.26**	18
Enable and support	22.43	14	21.48	13	21.54	14
Enabling management functions	3.00	2	2.58	2	2.54	2
Allocable corporate costs	3.49	2	2.55	2	2.61	2
Subtotal pillar 1	**80.17**	**51**	**77.50**	**49**	~~**78.77**~~ **78.62**	~~**47**~~ **46**
Pillar 2 – Knowledge building, dissemination and policy engagement						
Corporate knowledge and research	3.06	2	3.57	2	4.54	3
Communication and outreach	5.78	4	5.71	4	5.30	3
South-South and Triangular Cooperation	1.02	1	0.98	1	0.77	0
Impact assessments	1.86	1	1.01	1	1.75	1
Global policy engagement and global partnerships	3.76	2	4.04	3	5.56	3
Enable and support	2.83	2	3.39	2	4.14	3
Enabling management functions	1.09	1	0.93	1	1.01	1
Allocable corporate costs	0.00	0	0.00	0	0.00	0
Subtotal pillar 2	**19.41**	**12**	**19.63**	**12**	**23.07**	**14**
Pillar 3 – Financial capacity and instruments						
Replenishment	1.16	1	1.00	1	0.83	1
Resource mobilization and management of additional resources	3.29	2	3.48	2	4.33	3
Corporate financial management and reporting	0.90	1	0.97	1	1.08	1
Corporate fiduciary and financial risk management	2.55	2	2.62	2	2.66	2
Corporate controllership	0.66	0	0.65	0	0.63	0
Financial projections, products, strategic and operational liquidity planning/management	0.89	1	1.12	1	0.26	0
Investment portfolio management	0.53	0	0.56	0	0.54	0
Enable and support	3.95	3	4.62	3	5.14	3
Enabling management functions	1.42	1	1.53	1	1.38	1
Unallocable corporate costs	0.20	0	0.20	0	0.20	0
Subtotal pillar 3	**15.54**	**10**	**16.74**	**11**	**17.03**	**10**
Pillar 4 – Institutional functions, services and governance						
Enabling information technology environment	5.27	3	5.13	3	5.03	3
Client-oriented transaction services	0.81	1	0.98	1	0.84	1
Effective and sustainable administrative services	1.97	1	2.03	1	2.01	1
Headquarters security services	1.30	1	1.30	1	1.58	1
Effective and sustainable facilities management	2.57	2	2.85	2	2.92	2
Human resource management	4.64	3	5.46	3	6.28	4
Corporate planning, budgeting and reporting	3.63	2	3.55	2	3.54	2
Internal oversight and risk management	3.40	2	3.63	2	5.89	4
Corporate legal services	0.57	0	0.47	0	0.51	0
IFAD management functions	1.55	1	1.33	1	1.66	1
In-house communications	0.32	0	0.33	0	0.29	0
Ethics Office	0.69	0	0.65	0	0.61	0
Governing bodies	5.24	3	4.86	3	5.12	3
Membership and protocol	0.47	0	0.81	1	0.87	1
Enable and support financial institutional functions	1.55	1	1.62	1	2.52	2
Enabling management functions	2.43	2	2.60	2	2.32	1
Allocable corporate costs	1.40	1	3.20	2	~~3.82~~ **2.28**	~~2~~ **1**

Unallocable corporate costs	4.95	3	4.75	3	4.70	3
Subtotal pillar 4	**42.78**	**27**	**45.55**	**29**	**48.96**	**~~30~~ 29**
Total	**157.90**	**100**	**159.41**	**100**	**~~169.37~~ 167.67**	**100**

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Composition of standard staff costs

(Millions of United States dollars)

Category description	*2022 FTEs at 2021 rates*	*2022 FTEs at 2022 rates*	*(Decrease) Increase*
Professional staff			
Salaries	35.3	34.6	(0.6)
Post adjustment	13.4	12.5	(0.9)
Pension and medical	15.6	14.7	(0.9)
Education grants	3.9	7.7	3.8
Repatriation, separation and annual leave	3.4	2.0	(1.4)
Home leave	0.4	0.5	0.1
United States tax reimbursement	(0.01)	0.2	0.2
Other allowances [a]	5.2	5.4	0.3
Centralized recruitment costs	1.1	~~1.5~~ **1.4**	~~0.4~~ **0.3**
Subtotal	**78.2**	**~~79.1~~ 79.0**	**~~0.9~~ 0.8**
General Service staff			
Salaries	10.4	10.2	(0.2)
Pension and medical	2.9	2.9	(0.0)
Repatriation and separation	0.7	1.4	0.7
Other allowances [b]	0.7	0.7	0.1
Subtotal	**14.7**	**15.2**	**0.5**
Locally recruited country presence staff	**7.5**	**7.0**	**(0.5)**
Total regular staff costs	**100.4**	**~~101.2~~ 101.1**	**~~0.9~~ 0.7**

[a] This includes dependency allowances (USD)

[b] This includes language allowance (USD)