

## **Report of the Audit Committee on IFAD's 2026 results-based programme of work, regular and capital budgets, and budget outlook for 2027–2028 and the Independent Office of Evaluation of IFAD's results-based work programme and budget for 2026 and indicative plan for 2027–2028**

---

Document: EB 2025/146/R.19/Rev.1

Agenda: 5(b)

Date: 10 December 2025

Distribution: Public

Original: English

**FOR: REVIEW**

**Useful references:** IFAD's 2026 results-based programme of work, regular and capital budgets, and budget outlook for 2027–2028, and the Independent Office of Evaluation of IFAD's results-based work programme and budget for 2026 and indicative plan for 2027–2028 ([AC 2025/179/R.11](#))

**Action:** The Executive Board is invited to review the present document.

---

---

**Technical questions:**

**Edward Gallagher**

Director

Planning, Organizational Development and Budget

Division

e-mail: [ed.gallagher@ifad.org](mailto:ed.gallagher@ifad.org)

---

# **Report of the Audit Committee on IFAD's 2026 results-based programme of work, regular and capital budgets, and budget outlook for 2027–2028 and the Independent Office of Evaluation of IFAD's results-based work programme and budget for 2026 and indicative plan for 2027–2028**

1. Management introduced the agenda item, noting that the final 2026 budget proposal had been prepared following the high-level preview presented in September, and took into account the feedback received from the Audit Committee and the Executive Board. It was highlighted that the proposal aligned with the objectives and ambition of the Thirteenth Replenishment of IFAD's Resources (IFAD13), including delivery of a US\$10 billion programme of work and a strengthened focus on fragility, climate resilience and biodiversity, and private sector engagement.
2. A net regular budget of US\$194.71 million was presented for 2026, reflecting zero real growth and incorporating a net price increase of 2.2 per cent. The 2026 programme of loans and grants (PoLG) was estimated at US\$1.6 billion, which – together with the 2025 PoLG level – would bring IFAD13 delivery to approximately 85 per cent by end-2026. It was further noted that 2025 budget execution was forecast at 99.4 per cent.
3. Within the proposed budget, a further reduction in regular staff posts was reported, from 860 in 2025 to 852 in 2026, achieved through repurposing existing positions and selective abolition. Additional granularity was also provided on cost drivers, trade-offs and efficiency gains that enabled the 2026 proposal to remain within a flat budget trajectory.
4. The strengthened link between budgets and outputs was underlined, alongside the inclusion of standard efficiency ratios, which the Committee welcomed. A capital budget of US\$5.5 million was proposed to cover cyclical replacements, business continuity requirements and targeted digital investments. The one-time allocation for the IFAD14 Consultation was also presented for review outside the administrative budget.
5. The Director, Independent Office of Evaluation of IFAD (IOE), presented the 2026 work programme and budget. The proposal was anchored in IOE's multi-year evaluation strategy and reflected the feedback received from governing bodies. IOE planned to deliver 25 evaluations in 2026, including 14 country strategy and programme evaluations, two corporate-level evaluations, two project cluster evaluations and five project performance evaluations.
6. It was emphasized that the expansion in evaluation coverage responded to the request of Member States and would contribute significantly to institutional accountability and learning. The proposed IOE budget of US\$7.91 million corresponded to 0.70 per cent of the IFAD13 PoLG, remaining below the 0.90 per cent ceiling.<sup>1</sup>
7. The Committee expressed appreciation for the refinements made since September, noting that the final document provided clearer articulation of cost drivers, prioritization choices and the connection between planning, staffing and expected outputs.

---

<sup>1</sup> The figures were revised following the 146<sup>th</sup> session of the Executive Board and the Board's approval of document EB 2025/146/R.18/Corr.1, duly reflected in EB 2025/146/R.18/Rev.1.

8. While broadly expressing appreciation for maintaining a zero real growth budget, members acknowledged the related challenges in a context of financial pressure and rising operational demands. They emphasized the need for well-calibrated mechanisms to manage adjustments during implementation so that operational flexibility is preserved, and core functions remain adequately resourced.
9. The Committee also observed that the consistently high budget execution left limited room for carry-forward and requested updates should this tight margin pose challenges in flexibility in reallocating resources or responding to unforeseen needs.
10. Members welcomed the improved presentation of staffing information, including clarity on the redeployment and repurposing of positions within a stable workforce ceiling. Interest was expressed in how ongoing strategic workforce planning may inform future adjustments to the staff footprint and support sustainable delivery under a zero real growth trajectory.
11. Clarifications were also sought on the consolidation of the programme of loans and grants into larger operations. It was explained that consolidation is undertaken at country level, and aimed to enhance government ownership, impact and sustainability while improving efficiency in design and supervision. Further clarifications were provided on the exchange rate adjustment mechanism, which applied to the euro-denominated share of the budget and relevant staff cost parameters. Such adjustments were made at year-end, while in-year spending authority was based on the fixed rate approved with the budget.
12. On the IOE proposal, noting the nominal increase of 7.5 per cent in the proposed budget, members reiterated strong support for the expanded evaluation coverage requested in past discussions, while calling for a stabilization of the budget once coverage demands have been satisfied and encouraging IOE to continue seeking efficiencies to ensure the sustainability of its budget trajectory. IOE noted that recent growth reflected a rightsizing of evaluation coverage following the 2021 peer review and confirmed that budget levels were expected to stabilize going forward. The forthcoming external peer review of IFAD's evaluation function in 2026 was noted.
13. The Audit Committee concluded its review of the 2026 results-based programme of work, regular and capital budgets, and IOE's 2026 work programme and budget, and agreed that the documents would be submitted to the Executive Board for approval.