1. With reference to Note 1 on page 2 of the Programme of Work and Administrative Budget of IFAD and its Office of Evaluation for 2004 (document GC 27/L.4), the Governing Council is invited to approve the budget at the latest prevailing exchange rate against the euro. The budget was originally calculated on the basis of EUR 0.898/USD 1.00 as the anticipated average exchange rate for 2004.

2. The prevailing rate is the latest International Monetary Fund rate of EUR 0.780/USD 1.00. The President recommends that the Governing Council adopt this rate for the purpose of the recalculation of the administrative budget of IFAD for 2004.

3. Accordingly, in the fourth paragraph of the draft resolution on page 2 of document GC 27/L.4, the amount for the administrative budget of IFAD for 2004 will be USD 57.2 million and that for the Office of Evaluation will be USD 4.6. million.
Resolution .../XXVII

Administrative Budget of IFAD and its Office of Evaluation for 2004

Bearing in mind Article 6.10 of the Agreement Establishing IFAD and Regulation VI of the Financial Regulations of IFAD;

Noting that, at its Eightieth Session, the Executive Board reviewed and agreed upon a programme of work of IFAD for 2004 in the amount of SDR 323 million and a total Programme Development Financing Facility of USD 29.7 million;

Having considered the review of the Eightieth Session of the Executive Board concerning the proposed administrative budget of IFAD and its Office of Evaluation for 2004;

Approves the administrative budget of IFAD for 2004, as contained in document GC 27/L.4, in the amount of USD 57.2 million for IFAD and USD 4.6 million for the Office of Evaluation, determined on the basis of a rate of exchange of EUR 0.780/USD 1.00;

Decides that in the event the average value of the United States dollar in 2004 should change against the euro rate of exchange used to calculate the budget, the total United States dollar equivalent of the euro expenditures in the budget shall be adjusted in the proportion that the actual exchange rate in 2004 bears to the budget exchange rate; and

Further decides that Regulation VI, paragraph 2, of the Financial Regulations of IFAD shall be amended so as to delete the second sentence thereof. Unobligated appropriations at the close of the financial year may be carried forward into the following financial year up to an amount not exceeding 3% of the said financial year. This amendment shall enter into force upon the adoption of this Resolution and shall have effect from the financial year 2003.