

PFTAC Steering Committee

March 27, 2018

Financial Report: Constantin von Alvensleben
Institute for Capacity Development/Global Partnerships



Australian Government
Department of Foreign Affairs and Trade



EUROPEAN UNION



Ministry of Strategy
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AGENDA

Financial Report

- Phase IV: unspent balance
- FY17: actual financial outturn
- FY18: projected financial outturn and analysis
- FY19: proposed budget
- Fund Raising: status



FINAL PHASE IV OUTTURN

- Phase IV ended mid-FY17, October 31, 2016.
- \$ 24.7 million of \$25.3 million spent
- Precise unspent balance: \$535,718
- Agreement by Australia, EU, and New Zealand to roll-over their share of balance of \$468,339
- Awaiting ADB and Korea advice of possible roll-over of their balances

PFTAC: Phase IV (FY12 to FY17/H1) Final Outturn (\$US millions)

	Program Document	2015 Revised Budget	Final Ph IV Expenses	Remaining Funds
Resident Advisors (Long Term Experts - LTX)	\$ 12.1	\$ 9.9	\$ 9.6	\$ 0.3
Travel	\$ 2.8	\$ 2.4	\$ 2.2	\$ 0.2
Short-Term Experts (STX)	\$ 3.2	\$ 6.1	\$ 6.0	\$ 0.1
Diagnostic Missions	\$ 1.6	\$ 0.8	\$ 0.9	\$ (0.1)
Training/Seminars/Workshops	\$ 2.6	\$ 2.6	\$ 2.5	\$ 0.1
Backstopping/Project Management	\$ 2.1	\$ 1.1	\$ 1.2	\$ (0.1)
Other Costs (Evaluation, misc, etc)	\$ 0.9	\$ 0.7	\$ 0.7	\$ -
Total TA Provision	\$ 25.3	\$ 23.6	\$ 23.1	\$ 0.5
Trust Fund Management Fee ^{1/}	\$ 1.8	\$ 1.7	\$ 1.6	
Total Trust Charges	\$ 27.1	\$ 25.3	\$ 24.7	\$ 0.5
IMF Contribution	\$ 2.9	\$ 2.9	\$ 2.9	
TOTAL:	\$ 30.0	\$ 28.2	\$ 27.6	

1/ Trust Fund fee is 7 percent of funds utilized for TA delivery



FY17 OUTTURN

FY2017 Expenditure Outturn (\$US millions)

	Program Document Budget	(Ph IV) FY17/H1 Outturn	FY17/H2 (Ph V Funding)			FY2017 Full Year Outturn
			Budget	Outturn	Under Spend	
Resident Advisors (Long Term Experts - LTX)	\$ 12.6	\$ 0.8	\$ 1.0	\$ 0.9	\$ 0.0	\$ 1.8
LTX Travel	\$ 2.3	\$ 0.1	\$ 0.2	\$ 0.2	\$ -	\$ 0.3
Short-Term Experts (STX)	\$ 11.4	\$ 0.8	\$ 0.9	\$ 0.7	\$ 0.2	\$ 1.5
Diagnostic Missions	\$ 1.2	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.0	\$ 0.2
Training/Seminars/Workshops	\$ 6.0	\$ 0.2	\$ 0.5	\$ 0.1	\$ 0.4	\$ 0.3
Backstopping/Project Management	\$ 1.9	\$ 0.1	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.2
Other Costs (Evaluation, misc, etc)	\$ 1.6	\$ 0.1	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.2
Total TA Provision/Delivery	\$ 36.9	\$ 2.2	\$ 3.0	\$ 2.2	\$ 0.8	\$ 4.5
Trust Fund Management Fee ^{1/}	\$ 2.6	\$ 0.2	\$ 0.2	\$ 0.2		\$ 0.3
Total Trust Charges	\$ 39.5	\$ 2.4	\$ 3.2	\$ 2.4	\$ 0.8	\$ 4.8
IMF and Host Country In-Kind Contribution	\$ 2.6					
TOTAL:	\$ 42.1					

1/ Trust Fund fee is 7 percent of funds utilized for TA delivery

- Only last 6 months of FY17 (Nov 2016 to April 2017) under Phase V
- \$2.39 million spent of \$3.25 million budget for period
- Precise underspend was \$876,179



PROJECTED FY18 FINANCIAL OUTTURN

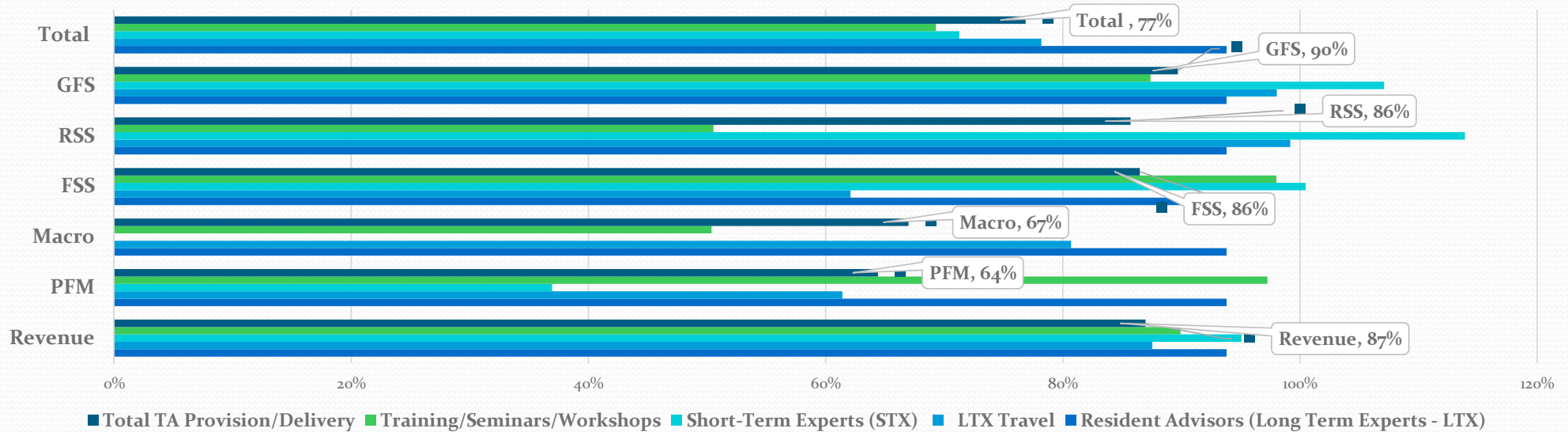
- Projected \$5.32 million expenses of \$6.91 million budget (excluding trust fund mgmt. fee), or \$7.4 m with fee
- 77 percent outturn
- \$1.6m underspend (\$1.7 m with management fee)

FY2018 Estimated Expenditure Outturn (\$US millions)							
	Program Document Budget	Tot Est Ph V Expenses to end-FY18	FY2018				
			Budget	Projected Outturn	% Outturn	Projected Underspend	
Resident Advisors (Long Term Experts - LTX)	\$ 12.6	\$ 3.0	\$ 2.2	\$ 2.1	94%	\$ 0.1	
LTX Travel	\$ 2.3	\$ 0.5	\$ 0.4	\$ 0.3	78%	\$ 0.1	
Short-Term Experts (STX)	\$ 11.4	\$ 2.1	\$ 2.0	\$ 1.5	71%	\$ 0.6	
Diagnostic Missions	\$ 1.2	\$ 0.4	\$ 0.3	\$ 0.2	74%	\$ 0.1	
Training/Seminars/Workshops	\$ 6.0	\$ 1.0	\$ 1.2	\$ 0.9	73%	\$ 0.3	
Backstopping/Project Management	\$ 1.9	\$ 0.2	\$ 0.3	\$ 0.2	47%	\$ 0.2	
Other Costs (Evaluation, misc, etc)	\$ 1.6	\$ 0.3	\$ 0.3	\$ 0.1	45%	\$ 0.2	
Total TA Provision/Delivery	\$ 36.9	\$ 7.6	\$ 6.9	\$ 5.3	77%	\$ 1.6	
Trust Fund Management Fee ^{1/}	\$ 2.6	\$ 0.5	\$ 0.5	\$ 0.4	77%	\$ 0.1	
Total Trust Charges	\$ 39.5	\$ 8.1	\$ 7.4	\$ 5.7	77%	\$ 1.7	
IMF and Host Country In-Kind Contribution	\$ 2.6		\$ 0.5	\$ 0.6	116%	\$ (0.1)	
TOTAL:	\$ 42.1		\$ 7.9	\$ 6.3	80%	\$ 1.6	

1/ Trust Fund fee is 7 percent of funds utilized for TA delivery



FY2018 Projected Outturn by Program



- **Projected Budget Outturn by Program ranges from 64 % (PFM) to 90 % (GFS), average 77 %**
- **Lower PFM (64%) and Macro (67%) outturn from underutilization of STX budget**



PROPOSED FY19 BUDGET

- Total proposed FY19 budget of \$6.19 million, a 3.5 % reduction of original \$6.41 m allocation (excluding trust fund management fee)
- STX budget for PFM & Macro programs reduced by \$0.5m, from \$2.0m to \$1.5m
- Admin budget up \$0.15m
- Carry-forward unused \$0.15 training budget from FY18

Proposed FY19 Budget								
	Program Document Budget	Tot Est Ph V Expenses to end-FY19	FY2018		FY2019			
			Budget	Projected Outturn	Orig Budget	Proposed Budget	Change	
Resident Advisors (Long Term Experts - LTX)	\$ 12.6	\$ 5.3	\$ 2.2	\$ 2.1	\$ 2.3	\$ 2.3	\$ -	
LTX Travel	\$ 2.3	\$ 0.9	\$ 0.4	\$ 0.3	\$ 0.4	\$ 0.4	\$ -	
Short-Term Experts (STX)	\$ 11.4	\$ 3.6	\$ 2.0	\$ 1.5	\$ 2.0	\$ 1.5	\$ (0.5)	
Diagnostic Missions	\$ 1.2	\$ 0.5	\$ 0.3	\$ 0.2	\$ 0.1	\$ 0.1	\$ -	
Training/Seminars/Workshops	\$ 6.0	\$ 2.2	\$ 1.2	\$ 0.9	\$ 1.1	\$ 1.2	\$ 0.2	
Backstopping/Project Management	\$ 1.9	\$ 0.6	\$ 0.3	\$ 0.2	\$ 0.3	\$ 0.3	\$ -	
Other Costs (Evaluation, misc, etc)	\$ 1.6	\$ 0.6	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.4	\$ 0.2	
Total TA Provision/Delivery	\$ 36.9	\$ 13.8	\$ 6.9	\$ 5.4	\$ 6.4	\$ 6.2	\$ (0.2)	
Trust Fund Management Fee ^{1/}	\$ 2.6	\$ 1.0	\$ 0.5	\$ 0.4	\$ 0.4	\$ 0.4	\$ (0.0)	
Total Trust Charges	\$ 39.5	\$ 14.7	\$ 7.4	\$ 5.7	\$ 6.9	\$ 6.6	\$ (0.2)	
IMF and Host Country In-Kind Contribution	\$ 2.6		\$ 0.5	\$ 0.6	\$ 0.5	\$ 0.5	\$ (0.0)	
TOTAL:	\$ 42.1		\$ 7.9	\$ 6.3	\$ 7.4	\$ 7.1	\$ (0.2)	

1/ Trust Fund fee is 7 percent of funds utilized for TA delivery



FUND RAISING

- **Total Contributions \$9.7 million received so far:**
 - Projected expenses through end-FY18 of \$8.1 million
 - Sufficient FY19 liquidity expected with EU contribution and next Australian and NZ tranches
- **Donor Pledges total \$26.8m, including expected € 6 million from EU**
 - \$ 8.6 million received so far, balance subject to exchange-rate variations
- **Expected Member Contributions total \$3.9 million if all received**
 - \$1.1 received so far, several countries paid second or even all contributions
 - Awaiting Letters of Understanding from Palau, RMI, Timor-Leste and Tuvalu



FUND RAISING

- **Phase V Budgets:**

- Excluding \$2.6 million of IMF financing
- \$39.7 million 'Aspirational' Budget – retains status quo throughout Phase
- \$35.3 million 'Baseline' Budget – assumes one less Statistics and PFM advisor in final years

- **Phase IV carry-forward and FY17 & FY18 underspend total \$ 3.3 million**

- \$ 0.54 m Phase IV; \$0.87 m from FY17; projected \$1.7 m from FY18; \$0.23m FY19 reduction

- **Current Funding Gaps:**

- From Aspirational Budget - \$9.0 million (reduced to \$5.8 m with accumulated savings)
- From Baseline Budget - \$4.6 million (reduced to \$1.4 m with accumulated savings)



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Thank you.