



PARTNERSHIP FOR MARKET READINESS BUDGET UPDATE

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Overview of the PMR Budget Process

- As per the PMR Governance Framework, the Secretariat proposes a budget for its annual operations and presents it for approval to the Partnership Assembly (PA) prior to the start of the fiscal year (FY).
- At PA18 in Ukraine, a decision to have a budget update every six months was taken to provide a clear update on budget management during the last phase of PMR
- The key elements of this budget update are:
 - Summary of FY18 Expenses
 - Summary of updated long-term financial projection

Recap: PMR Sources of Funding (in US\$ million as of June 30, 2018)

Contributing Participant	Commitment	Received to Date
Australia	12.5	12.5
Denmark	5.1	5.1
European Commission (EC)	18.8	10.1
Finland	5.4	5.4
Germany	13.2	13.2
Japan	13.6	13.6
Netherlands	7.1	7.1
Norway	5.8	5.8
Spain	5.4	5.4
Sweden	7.6	7.6
Switzerland	12.5	12.5
United Kingdom	11.1	11.1
United States	7.5	7.5
TOTAL	125.6	116.8

- EC outstanding contribution of €7.5 million has been converted as per exchange rate of 1.1705
- As of June 30, 2018, the exchange rate fluctuation, in comparison to PA18, has decreased the overall fund size from \$126.1 million to \$125.6 million

FY18 PMR Budget, Estimated Expenses and Actual Expenses (in US\$ thousand as of June 30, 2018)

Use of Funds	FY18 Budget	FY18 Estimated Expense	FY18 Actual Expenses
PA Meetings and Workshops	640	677	728
Country Delivery Support and Advisory Services	2007	2134	2283
MRP Expert Feedback Process	50	19	46
Country Delivery Support	1957	2115	2237
o/w: (1) Secretariat Support	1127	1234	1095
(2) Delivery Partner Support	830	881	1142
World Bank Central Unit Costs (1% Contribution)	127	127	127
Monitoring and Evaluation	268	108	74
Knowledge Management	1079	1032	975
Policy Analysis Work Program	2222	1589	805
PMR Management and Communications	576	683	918
Contingency	150	150	0
TOTAL USE OF FUNDS	7069	6500	5910

Key Conclusions from FY18 Expenditure

Overspending by \$435K: (1) PA Meetings and Workshops (2) Country Delivery Support and Advisory Partners – by Delivery Partners (3) PMR Management and Communication

Underspending by \$875K: (1) Monitoring and Evaluation (2) Knowledge Management (3) Policy Analysis Work Program

Overall, the PMR Secretariat spent less than budgeted for in FY18

Recap: Approved Budget for FY19 (in US\$ thousand)

Use of Funds	FY19 Approved Budget ('000)
PA Meetings and Workshops	650
Country Delivery Support and Advisory Services	2100
MRP Expert Feedback Process	0
Country Delivery Support	2095
o/w: (1) Secretariat Support	1121
(2) Delivery Partner Support	1026
World Bank Central Unit Costs (1% Contribution)	127
Monitoring and Evaluation	96
Knowledge Management	800
Policy Analysis Work Program	1000
PMR Management and Communications	750
Contingency	150
TOTAL USE OF FUNDS	5673

Updated Long-Term Projection

	Actuals	Actuals	Estimate	Estimate	Estimate	
<u>PMR Operations</u>	FY 11 - FY17	FY18	FY19	FY20	FY21	Grand-totals
PMR PA Meetings + Workshops	4,158	728	650	650	325	6,511
PMR Management and Communications	3,574	918	750	750	375	6,367
Country Delivery Support	10,612	2,237	2,100	2,100	1,050	18,099
Trust Fund Management	451	-	-	-	-	451
MRP Expert Feedback Process	387	46	-	-	-	433
Monitoring and Evaluation	255	74	96	-	-	425
World Bank Central Unit Costs	889	127	127	127	127	1,397
Contingency	-	-	150	150	75	375
PMR Operations Sub-total (A)	20,326	4,130	3,873	3,777	1,952	34,058
<u>PMR Support to Countries</u>						
<i>Initial Funding Support</i>						
Preparation Funding						6,178
Implementation Funding						54,402
Targeted Country Support to Technical Partners						1,500
Additional Committed Funding						22,850
Initial Funding Support Sub-total (B)						84,930
<i>Complementary Funding Support</i>						
Knowledge Management & Technical Work Program	3,988	975	857	800	650	7,270
Policy Analysis Work Program	3,613	805	1,784	-	-	6,202
Funding Support for Additional MRP and TP Activities	-	33	26	-	-	59
Complementary Funding Support Sub-total (C)	7,601	1,813	2,667	800	650	13,531
PMR Support to Countries (B+C)						98,461
PMR Activities Total (=A+B+C)						132,519

Conclusion

- There is a need for adjustment of \$1.5 million, which is 1.2% of committed contributions to the PMR Trust Fund (\$125.6 million).
- We are confident that this adjustment can be made in the lifetime of the PMR.
- As countries submit a revised implementation plan, we will provide a corresponding update to the budget at PA20.

THANK YOU!

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