

ARTF Administrator's report

Presentation to the Steering Committee
December 01, 2013

1392 – End of Fiscal Year

Financial

- ❑ As of November 26, 2013 14 donors have contributed \$674 million.
- ❑ Total pledged contribution for FY1392 is US\$901.38 million
- ❑ ARTF committed \$761 million:
 - ❑ \$332 m for recurrent costs (incl. baseline and O&M + \$150 m IP ring-fenced)
 - ❑ \$425 m for investments (7 new and ongoing projects)
 - ❑ \$4.00 m for Monitoring Agent
- ❑ ARTF disbursed \$679.58 million:
 - ❑ \$256.10 m for recurrent costs
 - ❑ \$411.60 m for investments
 - ❑ \$11.88 m Monitoring and Supervisory Agents

Other

- ❑ Approvals during the year:
 - AAIP -\$74.75 m
 - ARCP -\$2.70 m
 - HESIP -\$4.90 m
 - KMDP -\$5.00 m
 - NAGHLU -\$4.97 m
 - SEHAT -\$100.00 m
 - NSP III -\$250.00 m
- Note the 4 preparation grants
- Strong pipeline going forward – need for funds: \$1.5 billion in 1393



Cash Flow – 1392 to 1393 (Actual + Estimated)

	End of 1392 (Actual)	End of 1393 (Projected)
Carry-over FY1392	\$656.00	\$796.38
Donor contributions:	\$901.38	\$821.25
Total sources of funds	\$1,557.38	\$1,617.63
<u>Uses of Funds (Commitments)</u>		
Investment Window	\$425.00	\$1,100.00
Recurrent Cost	\$332.00	\$400.00
Supervisory Agent	\$4.00	\$12.00
Total Allocations	\$761.00	\$1,512.00
Surplus/(Deficit) balance	\$796.38	\$105.63



Financing Strategy Update - Highlights

Program of \$1.5 billion for 1393 including:

- \$1.1 bn for **Investment Window** - 14 projects:
 - ▣ 5 ongoing projects and 7 new already in last year's FS;
 - ▣ Two new projects added: (i) Rural Water and Sanitation; and (ii) CASA 1000 Community Benefit Sharing;
- \$400m for **Recurrent Cost Window**:
 - ▣ \$125m baseline, \$175m IP, \$100m O&M
- **Supporting NPPs**:
 - ▣ 100 % alignment at strategic and programmatic levels;
 - ▣ 80 % alignment at project level due to carry-over of pre-NPP projects;
 - ▣ Challenge remains at transaction level.



A Realistic Pipeline

- IW pipeline has increased by \$400m from last year's projections;
- **The overall financing for 3-year FS expected to remain constant around \$3bn and expected to be fully committed by end of 1393;**
- Pipeline fluidity within the 3 years, exact delivery difficult to project;
- Increase mainly due to Projects postponed from 1392 to ensure readiness;
- Always element of overprogramming around 30 %.



Managing Uncertainties

- **Donor Financing:**
 - Delivery of pipeline entirely dependent on incoming donor funding;
 - Projected 1393 surplus quite small (~\$105m), leaving little flexibility in planning;
 - Donor pledges essential for planning.
- **Security Situation:** to be closely monitored for potential impact on implementation and supervision.
- **Elections:** FY1393 deliverables scheduled for July to December 2014. Reduction in disbursements expected.
- **Managing the pipeline:**
 - Managing within 3 year FS – some fluidity between FYs.
 - Element of overprogramming (around 30 %)



ARTF – New Initiatives

- **Pilot: Ad Hoc TMAF Payments:**
 - Based on bilateral agreement between Government and Donors;
 - Additional to annual pledge;
 - Separate from IP;
 - Subject to fiduciary controls.

- **Research and Analysis Program**
 - Approved in April 2013;
 - Pipeline established incl. new impact evaluations;
 - New funding needed – to be further explored with donors.



ARTF Governance

□ **Increase role of MoF:**

- MoF to submit thoughts to Administrator and Strategy Group for further consideration.

□ **Gender Working Group:**

- GWG set up in Dec 2012, began work in 1392;
- Consistent donor participation necessary to ensure technical discussions and quality collaboration.

□ **Strategy Group Composition:**

- Membership defined as donors contributing min \$10m per year;
- Going forward membership will be reviewed on annual basis;
- Continuing members: Australia, Canada, EC, Germany, Italy*, Japan, Netherlands, Norway, Sweden, UK, USA
- New members 1393: Denmark, Finland, Korea

*Italy member subject to \$10m pledge contributed by end 1392

