



BUDGET SUMMARY FOR 2018

ISSUED: DECEMBER, 2017

On November 20, 2017, the Board approved the CY2018 budget for **USD 55 million** comprising of revenue expenditure of **USD 54 million** and capital expenditure of **USD 1 million**.

CY2018 will be the Bank's third full year of operations and the Bank plans to expand and strengthen its operational capability. The Bank plans to approve up to **20 new projects** estimated at USD 4 billion and will also begin its private sector lending operations, once the appropriate risk management pricing tools and expertise is established in the Bank. The Bank plans to raise between USD 1 billion to 1.5 billion through a mixture of issuances in USD and local currencies. The expenditure budget also provides for the operating expenses of the Bank's Africa Regional Centre in Johannesburg and, subject to the approval by the Board of Governors', the opening a second regional office in Brazil.

The CY2018 budget reflects the increased scope and complexity of the Bank's operation to support the project-lending in the member countries which requires specialists in key sectors with expertise in each member country's procurement, social, environmental and regulatory systems. Risk management will invest in appropriate data sets and pricing tools to support the Bank's lending operations and risk management effectiveness. Processes in the Bank will be automated through electronic settlements of financial market transactions, improvements to the NetSuite and other key systems to improve control, efficiency and effectiveness.

The budget was prepared, taking a bottom up approach and has considered the evolving organization structure, the staffing plan and an increase in the scale of NDB's operation. I wish to thank my Vice-Presidents and the Managers of each department for their valuable contributions, over the past two months, in preparing the budget for 2018, taking careful account of the lessons learnt in 2017 and best practice by other MDBs.

Similarly to 2017, the budget will be managed on the principles of:

- Regular budget monitoring and application of effective controls by all departments;
- Reasonable measures taken across the organization to apply resources responsibly and effectively, in accordance with the policies and procedures of the Bank; and
- A culture of cost control instilled by the Management of the Bank.