



FY22 MIGA Budget

Text for Public Disclosure

1. The report entitled “FY22 MIGA Budget” was discussed and recommendations contained therein approved at a meeting of the Board of Directors on June 25, 2021 (MIGA/R2021-0031/3).
2. In accordance with MIGA’s Access to Information Policy, the text has been edited for public disclosure to remove potentially confidential and market-sensitive information. Certain forward-looking projections have been deleted from the public version. Board documents referenced in the text are not publicly disclosed.

MIGA FY22 Budget – Text for Public Disclosure



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TEXT FOR PUBLIC DISCLOSURE

May 23, 2022



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ACRONYMS AND ABBREVIATIONS

%	Percent
\$	U.S. Dollars
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Frameworks
EC	Economic Capital
ECA	Export Credit Agency
EMDE	Emerging Market and Developing Economy
E&S	Environmental & Social
EVP	Executive Vice President
FCS	Fragile and Conflict-Affected Situations
FCV	Fragility, Conflict and Violence
FDI	Foreign Direct Investment
FfD	Financing for Development
FY	Fiscal Year
IBRD	International Bank for Reconstruction and Development
ICIEC	Islamic Corporation for the Insurance of Investment and Export Credit
IDA	International Development Association
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IMF	International Monetary Fund
ITS	Information Technology Services
LIBOR	London Inter-Bank Offered Rate
LIC	Low Income Country
MDB	Multilateral Development Bank
MFD	Maximizing Finance for Development
MIC	Middle Income Country
MIGA	Multilateral Investment Guarantee Agency, the “Agency”
OC	Operating Capital
ODA	Official Development Assistance
PRI	Political Risk Insurance
SBO	Strategy and Business Outlook
SDG	Sustainable Development Goals
WBG	World Bank Group

1. INTRODUCTION AND EXECUTIVE SUMMARY

This document presents MIGA’s FY22 Administrative and Capital Budget request for the Board of Directors’ approval. The proposed budget builds on the Strategic Directions set out in MIGA’s Strategy and Business Outlook FY21-23 (MIGA FY21-23 SBO) and the Strategy and Business Outlook Update for FY21.

1.1 EXECUTIVE SUMMARY

- 1. *MIGA continues to play its part in delivering the World Bank Group’s twin goals.***

During FY21-23, MIGA is targeting deeper impact through the delivery of \$5.5 to \$6.0 billion in new guarantees on average per annum, while increasing its proportion of guarantees in IDA Countries and Fragile and Conflict-Affected Situations (FCS) and guarantees in support of Climate Finance.
- 2. *MIGA’s has issued guarantees totaling \$5 billion as part of its COVID-19 response.***

Since the launch of its \$6.5 billion fast-track facility in April 2020, MIGA has issued \$5.1 billion in new guarantees under the facility. Due to the high client uptake, MIGA Management will request approval from the Board to extend the program until the end of FY22 and to increase the facility amount to \$7.5-8 billion.
- 3. *COVID-19 continued to have a significant impact on the Administrative Budget utilization.***

MIGA forecasts a FY21 Administrative Budget utilization underrun of approximately \$6.7 million or 11% of the Board-approved FY21 Administrative Budget. Of this, \$4.5 million is directly attributed to COVID-19 restrictions, including \$4.1 million unutilized travel budget.
- 4. *COVID-19 savings have been considered in formulating the FY22 Administrative Budget.***

Of the FY21 estimated COVID-19 related savings, approximately \$1 million is deemed permanent and is being redeployed to fund additional staffing needs to fulfil MIGA’s operational scale-up and enhanced portfolio supervision needs.
- 5. *MIGA is financially sustainable, efficient and cost effective.***

MIGA’s 47% capital utilization as of April 30, 2021 implies sufficient capacity to support the existing portfolio and new business. In addition, MIGA has maintained its Administrative Expenses-to-Net Premium Income (NPI) ratio at approximately 50% over the last three years.
- 6. *MIGA is proposing an Administrative Budget of \$65.3 million for FY22.***

MIGA requests a 3.1% nominal increase in the Administrative budget for FY22, including a 0.8% or \$0.5 million net real increase driven by the proposed increase in staff headcount and offset by budgetary reductions in other cost categories, principally Contractual Services and Travel.

1.2 FY22 BUDGET RECOMMENDATIONS

7. ***Management seeks Board approval of the MIGA FY22 Budget.*** Management seeks the Board of Directors' approval of MIGA's FY22 Administrative Budget of \$65.3 million and \$0.5m Supplemental Capital Budget.

2. STRATEGIC CONTEXT AND BUSINESS OUTLOOK

This section outlines MIGA’s FY21-23 strategic context and business outlook and the related updates and addresses progress in delivering the strategy and MIGA’s COVID-19 response.

2.1 STRATEGIC CONTEXT

8. ***FY22 marks the second year of MIGA’s FY21-23 SBO.*** MIGA (“the Agency”) is committed to playing its part in delivering the World Bank Group’s twin goals and supporting the World Bank and IFC in meeting their capital package commitments. The FY21-23 Strategy and Business Outlook (“Deepening Impact”) targets MIGA delivering between US\$5.5 and US\$6.0 billion in guarantees on average per annum, while increasing its proportion of guarantees in IDA countries and Fragile and Conflict-Affected Situations (FCS) to 30-33% (FY21-23) and 35% of the guarantees in support of Climate Finance on average over the FY21-25 period.

2.2 BUSINESS OUTLOOK

9. ***MIGA has reoriented its program to focus on COVID-19 response.*** Foreign Direct Investment (FDI) has declined significantly because of COVID-19. In response, MIGA has reoriented its program to contribute to the World Bank Group’s COVID-19 Crisis Response. This support has focused on areas of highest demand, supporting private financing flows, including support to projects backed by sovereigns (which became more important during the pandemic) and financial institutions to help them weather the crisis. MIGA expects to provide \$5-\$6 billion of guarantees in FY21, the majority of which will form part of the Agency’s COVID-19 Response Program. Between April 2020 and June 2021 MIGA is likely to provide close to \$5.5 billion under its COVID-19 Response Program.

2.3 MIGA’s COVID-19 RESPONSE

10. *Client demand under MIGA’s COVID-19 response program has been strong.*

The COVID-19 pandemic rapidly changed the strategic landscape for the Agency, with FDI declining precipitously as have the broader project finance and Public Private Partnership (PPP) markets. As MIGA’s guarantee operations are demand driven, the Agency’s ‘traditional’ support for FDI/PPPs has declined commensurately. Consequently, the Agency has pivoted its program to support the World Bank Group COVID-19 response. In addition to enabling the delivery of a substantial COVID-19 response in FY21, the Agency has invested resources for the post-COVID era with a focus on an integrated approach to promoting a strong and durable recovery and growth through green, resilient and inclusive development (GRID).

Demand from clients and host countries for support under MIGA’s COVID-19 Response Program remains strong, with many impactful projects in the Agency’s pipeline. As a result, MIGA Management will request approval from the Board to extend the COVID-19 Response Program¹ until end-FY22 and to increase the gross issuance under the program from \$6.5 billion to \$7.5-8.0 billion. New COVID-19 variants and the challenges in expanding vaccinations globally, means that the impact of the pandemic looks set to continue into FY22 and potentially FY23.

2.4 DELIVERING THE FY21-23 STRATEGY

11. *MIGA expects a gradual return to its more traditional support for FDI/PPP.*

Looking ahead to FY22-23, the Agency anticipates a gradual return to its more ‘traditional’ support for FDI/PPPs and more real sector projects. This will include a greater balance between the Non-Honoring and Political Risk Insurance products.

In FY21 MIGA invested considerable resources in planning for a green, resilient and inclusive development (GRID) response in FY22 and FY23. The innovation agenda is progressing and MIGA is close to finalizing an arrangement with the IFC to introduce a trade finance product as part of its COVID-19 Response.

¹ Modification of Prior Concurrence to MIGA/R2020-0046.

3. FY22 BUDGET FORMULATION

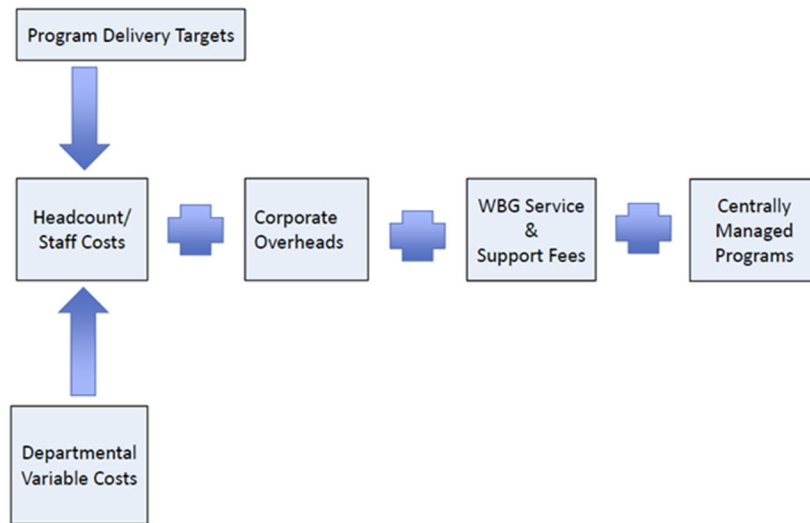
This section presents MIGA’s approach to FY22 Budget Formulation and discusses MIGA’s workforce planning, the evolution of its staff complement and the Agency’s global footprint.

3.1 FY22 BUDGETING PROCESS

12. MIGA uses a combination of “top-down” and “bottom-up” approaches to formulate its annual Administrative Budget.

MIGA followed the “W” process in completing its FY22 detailed budget planning through a combination of a centrally-implemented “top-down” and Departmental “bottom-up” approach (see **Figure 1**). Driven by planned program delivery, the top-down approach was applied to determine: (i) Staffing requirements to deliver the FY21-23 Strategy, (ii) MIGA’s Corporate Overheads, WBG Service & Support fees under shared service agreements and the costs of centrally managed programs. Departmental bottom-up estimates were then utilized for the variable costs associated with work program implementation. The combined result forms the basis of MIGA’s consolidated resource requirements.

Figure 1. MIGA’s Approach to Budgeting



13. FY22 Administrative Budget reflects COVID-19 related savings.

FY22 Administrative Budget considers the COVID-19 experiences over the past year and the extent to which the related restrictions impacted operational spend. The FY22 Administrative Budget proposal includes a reduction in travel and meeting-related expenses based on current expectations of a return to a ‘new normal’ work pattern. Administrative expense spend in the prevailing COVID-19 environment may be impacted by multi-dimensional factors, perhaps more significantly than

currently perceived (e.g., travel volume may decline while the price of travel may increase significantly, including due to quarantine requirements). Therefore, there remains a residual risk in estimating the overall COVID-19 related cost implications and their impact on budget trajectories.

3.2 GLOBAL FOOTPRINT

14. *MIGA’s staff location decisions are informed by the Agency’s business model, with the primary focus on effectively and efficiently serving its clients.*

MIGA’s pipeline development is a function of matching investment funding opportunities with investment destinations in host countries. Consequently, MIGA’s business model supports having a core team of staff based in headquarters in Washington, DC., complemented by regional hubs. Approximately 13% of MIGA’s staff are currently based in the regional hubs, with the last expansion action taken in FY20 by placing a Senior Underwriter in Nairobi, Kenya to advance MIGA’s interest in serving Africa and IDA/FCS client countries.

4. FINANCIAL SUSTAINABILITY AND COST EFFICIENCY

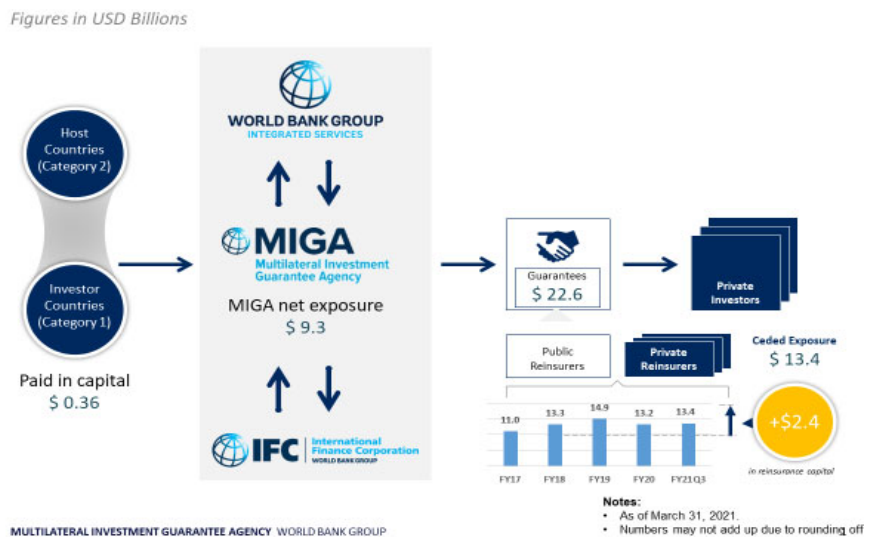
This section assesses MIGA’s use of reinsurance for prudent capital management and its track record of cost containment to sustain cost efficiency.

4.1 MIGA’s OPERATIONAL MODEL

15. MIGA continues to leverage its capital to deliver value and impact.

Instead of requesting additional capital from its shareholders, MIGA has made effective use of the reinsurance markets to draw in private sector capital to support its projects (See **Figure 2**). The level of reinsurance per transaction is based on MIGA’s country headroom capacity and the project’s risk – ensuring optimum use of MIGA’s capital.

Figure 2. Financial Capacity Leveraged by MIGA Guarantees

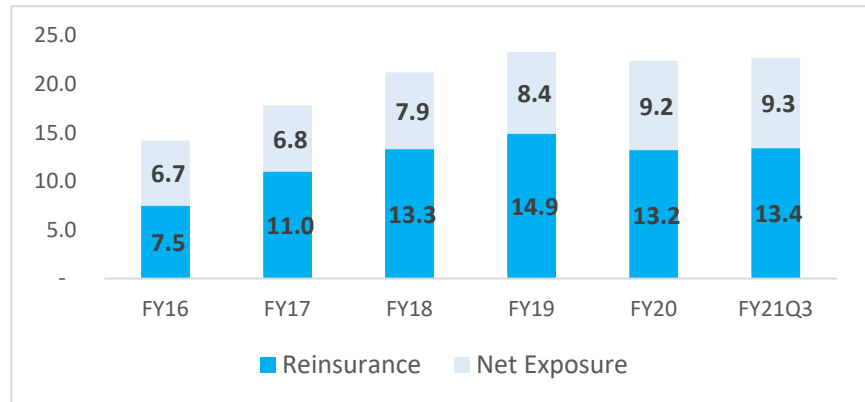


4.2 CAPITAL MANAGEMENT

16. Reinsurance capacity has been a key enabler of MIGA’s prudent capital management.

Reinsurance: Consistent with the strategy to deploy reinsurance to preserve capital to fund growth, especially in priority areas, MIGA’s portfolio reinsurance level has increased over the last five years in absolute and relative terms. As of end-FY21Q3, MIGA’s exposure to reinsurers totaled \$13.5 billion, representing 59% of its gross guarantee exposure, well within the 70% Board-approved limit (see **Figure 3**).

Figure 3. Gross Exposure and Portfolio Reinsurance Level FY16-FY21Q3 (\$b)



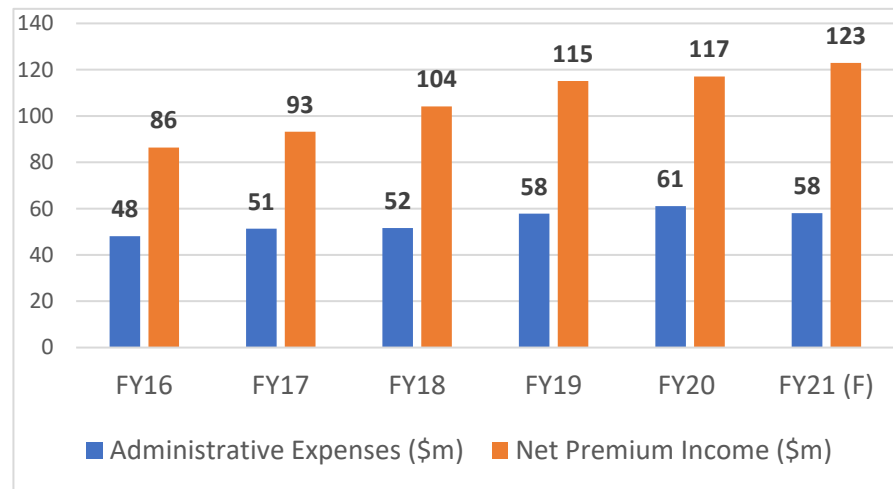
Capital utilization: The Agency’s capital utilization ratio (represented by Total Economic Capital as a percentage of Operating Capital) stood at 47% as of April 30, 2021, reflecting the use of reinsurance for prudent capital management. This reflects MIGA’s ability to support existing exposures and further portfolio growth over the medium term.

4.3 ADMINISTRATIVE EXPENSES COVERAGE

17. MIGA is financially sustainable with the Net Premium Income (NPI) more than covering its Administrative Expenses.

Operating Income, represented by the excess of NPI over Administrative expenses, is projected to increase from \$38 million in FY16 to an estimated \$65 million in FY21. Over the same period, NPI is projected to increase by 43% compared to a 21% growth in Administrative expenses, reflecting a relatively modest growth in budgetary resources (see **Figure 4**).

Figure 4. Administrative Expenses and Net Premium Income (\$m)

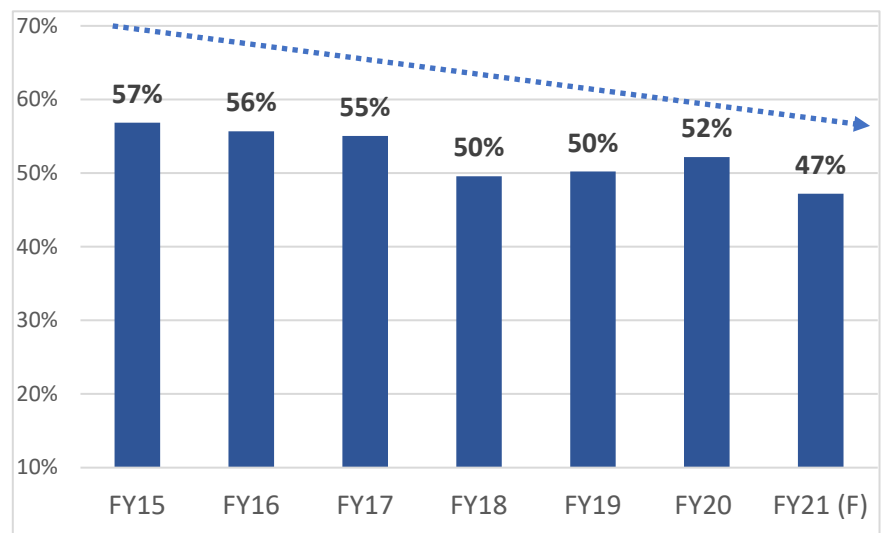


4.4 COST EFFICIENCY

18. MIGA’s commitment to cost efficiency is reflected in the close focus it places on its budget anchor.

Over the last six years, the Administrative Expense-to-Net Premium Income ratio has declined from 57% in FY15 to a projected 47% in FY21 (see **Figure 5**). The decline from 52% in FY20 principally reflects the impact of lower budget utilization due to the impact of COVID-19 restrictions, as net premium income is still projected to grow. Overall, the long-term decline in the ratio reflects the combined effect of increasing net premium income from a growing portfolio and contained growth in administrative expenses.

Figure 5. Administrative Expenses-Net Premium Income (NPI) Ratio



19. Administrative Expenses-to-NPI ratio is expected to remain below the 60% cap.

Despite the expected growth in budgetary resources during the FY22-23 period, because of the offsetting impact associated with the projected growth in net premium income, the Administrative expenses-to-NPI ratio is expected to remain well below the 60% Management-set cap.

4.5 COST OF DOING BUSINESS ANALYSES (CODB)

20. Robust CODB Analysis is instrumental for allocation of resources and helping determine future resource requirements.

MIGA first published its CODB information in FY20 for the FY18-19 period and has since incorporated FY20 data, with the latest CODB analysis covering FY18-20 period. The overarching framework, which enables reporting of costs by strategic priority areas, by regions and by sectors, also provides the basis for determining cost per project, cost to deliver \$1m of new business and the related cost coefficients.

The summary data in Table 1 shows the following two CODB indicators, based on the average costs over the FY18-20 period:

- (1) *New Business costs per \$1m of New Issuance and per project and cost coefficients by strategic priority area.* This metric combines origination activities (business development efforts) and Project execution activities (covering the project lifecycle from receipt of application through signing of the Contract) and includes allocated indirect and overhead costs.
- (2) *Portfolio management costs per \$1m of Gross Insurance portfolio and per project and cost coefficients by strategic priority area.* This metric reflects the average annual spend in supervisory activities of the Guarantee portfolio and active projects. It includes allocated indirect and overhead costs and therefore measures the full cost of Portfolio activities.

Table 1: Cost of New Business & Portfolio Management across Strategic Priority Areas

Average across FY18-20	New Business				Portfolio Management			
	\$m of New Issuance		Per Project		\$m of Gross Exposure		Per Project	
Average Cost (\$)	7,010		841,729		416		51,293	
Cost Co-efficients								
IDA/FCS	2.1	X	1.5	X	2.0	X	1.5	X
Climate Finance	2.4	X	0.8	X	1.1	X	0.6	X
Non-IDA/FCS	0.7	X	0.8	X	0.6	X	0.6	X

New Business CODB Indicator:

While it costs MIGA \$7,010 on average for every \$1m of New Business, it is 2.1 times greater for IDA/FCS and 2.4 times greater for Climate Finance transactions. It also costs MIGA \$841,729 on average for every New Business project, while the average New Business cost in IDA/FCS location is 1.5 times the average cost per project.

Portfolio Management CODB Indicator:

While Portfolio Management costs MIGA \$416 on average for \$1m of Gross Guarantee Portfolio, it is 2 times greater in IDA/FCS and 1.1 times greater for Climate Finance transactions. It also costs MIGA \$51,293 on average for every project in the Agency’s Gross Guarantee Portfolio, while the average New Business cost in IDA/FCS location is 1.5 times the average cost per project.

MIGA expects to refine the CODB analysis over time as additional years of data are incorporated and the averages even out to mute the effect of outlier data. This is expected to enhance the analytical and inferential nature of the CODB information.

5. ADMINISTRATIVE BUDGET

This section presents details of MIGA’s FY22 Administrative Budget proposal, indicative allocation of resources and FY22-23 Administrative Budget Trajectory.

5.1 FY22 ADMINISTRATIVE BUDGET

21. Management is proposing an Administrative Budget of \$65.3 million for FY22.

To support its FY22 program and address the operational scale-up and enhanced supervision for impact needs, MIGA proposes a total Administrative Budget of \$65.3 million (0.8% real increase, 3.1% nominal increase) compared to the FY21 Board-approved budget of \$63.3 million (See **Table 2**).

The additional budgetary resources will fund the additional headcount associated with a growing number of projects per annum, Climate Finance scale-up and a larger and more complex portfolio to supervise, as well as costs associated with partnerships and new product applications.

Table 2. FY22 Administrative Budget Request (\$m)

	FY21 Approved Budget	% of Total Budget	FY22 Budget Request	% of Total Budget
Fixed Costs	43.7	69%	46.1	70%
Staff Costs	37.2	59%	39.5	61%
IT and Communications	3.8	6%	3.7	6%
Depreciation	0.4	1%	0.4	1%
Equipment and Building	2.4	4%	2.4	4%
Variable Costs	13.9	22%	13.2	20%
Consultants and Temps	1.8	3%	2.8	4%
Travel	4.2	7%	3.2	5%
Representation & Hospitality	0.3	1%	0.3	0%
Contractual Services	5.6	9%	4.6	7%
Other Costs	2.0	3%	2.3	3%
WBG Service & Support Fees	5.7	9%	6.1	9%
TOTAL ADMINISTRATIVE BUDGET	63.3	100%	65.3	100%

Note* A CPI adjustment factor of 2.3% has been applied in determining FY22 nominal budget, based on the IMF’s projected U.S. CPI movement, as reported in the World Economic Outlook

22. Real increase in Staff Costs is funded by \$0.5m real increase in Budget combined with budget reductions in Variable Costs

Embedded in the FY22 proposed Administrative Budget of \$65.3 million is a \$2.3m increase in staff costs attributable to the 13% proposed increase in staff headcount (23 staff). The increase in staff costs is funded by the 0.8% Budget growth combined with budgetary reductions in Variable Costs.

23. Resources allocated to Operations-related activities account for 60% of the total resources.

The proposed FY22 Administrative Budget functional attribution is broadly in line with that of FY21, demonstrating the continued focus in allocating resources to support Operations-related activities (see Table 3).

Table 3. FY22 Administrative Budget Request: Functional Attribution (\$m)

Details	FY22 Budget allocation	As a % of Total Budget
Operations:		
Projects Origination	11.1	17%
Projects Execution	15.3	23%
Portfolio Management	13.2	20%
Operations - Total	39.6	60%
Investment Management	1.1	2%
Operations Support Functions	24.6	38%
Total	65.3	100%

5.2 ALIGNING RESOURCES TO STRATEGIC PRIORITIES

24. MIGA continues to focus on allocating resources to the strategic priority areas.

As part of the FY21-23 strategy cycle, MIGA continues to focus on enhancing development impact by growing gross issuance and growing guarantees in IDA/FCS countries and Climate finance. To achieve this commitment, MIGA will continue to leverage WB and IFC partnerships to increase the number of projects it supports particularly in climate finance and aligning its financing flows with the WBG's Climate Change Action Plan for 2021-2025. MIGA's engagement and response to COVID-19 crisis has been substantial and will continue even as the crisis eases and economies recover from the pandemic.

25. MIGA is launching a Gender Strategy Implementation Plan

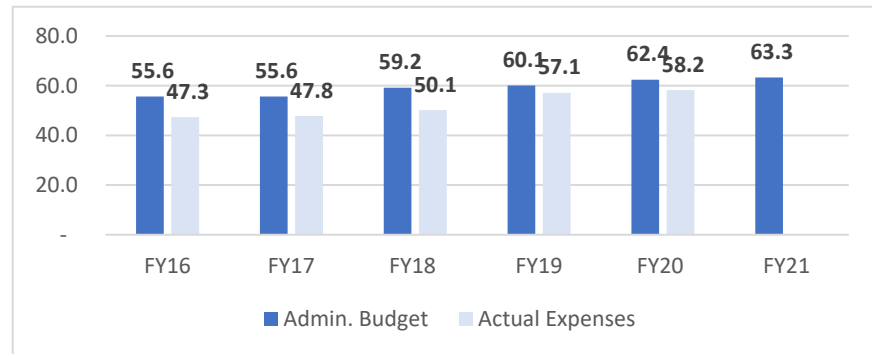
For the first time in the Agency's history, MIGA is launching a Gender Strategy Implementation Plan, which establishes a solid foundation for MIGA to have an impact on gender in its projects. MIGA now has an experienced Gender specialist, promoted from within MIGA, to lead our Gender work on a full-time basis. The staff working with MIGA's Gender specialist has already been scaled up, with a portion of the E&S Social Specialists' work program dedicated to our gender implementation plan. As MIGA continues to grow its Gender work and to hire additional Social Specialists in FY22, a portion of their work programs will also be dedicated to achieving the implementation of the Agency's gender objectives.

5.3 FY16-21 ADMINISTRATIVE BUDGET TRAJECTORY

26. Over the last five fiscal years, MIGA has maintained strict budget discipline, with small real budget increases in FY18 & FY20 only.

Over the FY16-21 period, MIGA requested: (a) a 4% real increase in FY18 for operationalizing the IDA Private Sector Window, increasing WBG collaboration including through the Cascade approach and to build capacity for Climate Finance, (b) a 1.7% real increase in FY20 for capacity building across the Agency (See Figure 6)

Figure 6. FY16-21 Administrative Budget Trajectory (\$m)



5.4 MIGA’s TOTAL ADMINISTRATIVE RESOURCES

27. External Funds remain an insignificant component of MIGA’s total Administrative Resources.

External Funds constitute a very small but essential component of MIGA total Administrative Resources.

Over the FY19-21 period, MIGA’s usage of External funds ranges between 1-2% of the total resources at the Agency’s disposal (See Table 4). These External Funds are integrated into MIGA’s Budget formulation process and are shown as a reduction in the Agency’s annual Administrative Budget request.

Table 4. FY19-21 MIGA’s Total Administrative Resources (\$m)

Source of Funds		FY19	FY20	FY21
Administrative Budget ¹	A	60.1	62.4	63.3
External Funds:				
a. Trust Funds ²		0.67	0.76	0.81
b. Reimbursements-Processing fee from Clients ³		0.41	0.39	0.03
c. Other Reimbursements		0.20	0.22	0.20
Total External Funds	B	1.3	1.4	1.0
Total Administrative Resources	A + B	61.4	63.8	64.3
External Funds as a % of Total Administrative Resources		2.1%	2.2%	1.6%
Notes:				
1. Board approved Administrative Budget.				
2. Estimates are based on the past as supported by existing donor agreements for the rest of FY21.				
3. Estimated for the rest of FY21 based on 36 months rolling average.				

5.5 MIGA AWARDS PROGRAM

- 28. MIGA Awards** MIGA’s Awards Program for teams and/or individuals is a valuable tool for recognizing and rewarding staff. In FY22 \$500,000 has been budgeted the Awards Program, the same as in FY21. The Awards Program is targeted at individuals and teams who deliver outstanding results in the World Bank Group core values: impact, integrity, respect, teamwork and innovation. For operational activities, the Awards are focused on recognizing exceptional impact in the Agency’s strategic focus areas, namely IDA/FCS countries and Climate finance. In FY21 the Awards program also recognized delivery of the Agency’s COVID-19 Response Program.
- Program budget for FY22 has been set at \$500,000.***

5.6 CARRYOVER POLICY

- 29. MIGA Management** In FY10, the Board approved MIGA’s carryover policy², giving the Agency the flexibility to carry forward an underrun against its annual spending authority (up to a maximum of 5% of total Administrative budget) from one fiscal year to the next.
- will inform the Board through the Quarterly EVP Report in the event of accessing funds in FY22 from the projected FY21 underrun.***

² Memorandum to the Board of Directors, March 17, 2010 (MIGA/R2010-0013).

6. CAPITAL BUDGET

This Section provides an update on MIGA's Capital budget resources.

MIGA's capital budget principally funds Information Technology (IT) needs, as well as office facilities.

6.1 INFORMATION TECHNOLOGY

30. MIGA requires a \$0.5m supplemental Capital Budget for the ongoing IT Modernization Efforts.

MIGA follows a three-year capital budget cycle for internal IT needs. The last IT capital budget request for the FY20-22 period totaling \$2 million was approved as part of the FY20 Budget Request Paper in June 2019, in addition to the authorization to carry forward Capital budget from previous cycles. To support the ongoing modernization efforts, MIGA requests a supplemental capital budget of \$0.5m to cover additional work program not previously envisaged such as an Integrity Portal Review, MIGA Data Warehouse Modernization and MIGA Guarantee System Modernization.

The focus of MIGA's IT Roadmap for FY20-22 is on enhancing communication with the Agency's external clients and improving operational efficiencies for MIGA staff, with the following dual objectives: (i) MIGA Portal Modernization and Enterprise Resource Planning (ERP) transformation; and (ii) Seamless access to MIGA Portal applications in Desktop and mobile devices; Migrating On-Premise MIGA Portal web applications to a cloud platform (Microsoft Azure PaaS (platform-as-a-service) solution).

MIGA estimates that a further Capital Budget of \$2.5 million will be required for the next phase of MIGA Systems Upgrade and Migration during FY23-25. This phase will entail Modernization and ERP architecture redesign of the MIGA Guarantee system to a cloud platform (Azure) that includes development of all custom modules in Azure PaaS solution; development of services to integrate with WBG ERP Platform for core accounting and Resource Management processes; Rearchitect, platform migration and development of MIGA Operational Data Store repository to WBG data platform.

MIGA typically does not make capital contributions to World Bank Group projects such as the transition from LIBOR and ERP system replacement. MIGA instead contributes via depreciation, which is reflected in future Administrative Budgets.

6.2 OFFICE FACILITIES AND EQUIPMENT

31. *Capital budget approved in FY20 of \$0.5m remains sufficient at this point.*

As part of MIGA’s field office co-location arrangements with the World Bank and IFC, the Agency sometimes contributes to a portion of the related capital costs, if such amounts exceed the minimum threshold for capitalization. Additionally, there are occasional needs for selective reconfiguration of the existing office space in headquarters to respond to space needs, combined with the replacement of ageing communication equipment. The related Capital Budget approved in FY20 of \$0.5m for Office space reconfiguration is also subject to the three-year budget cycle and remains sufficient at this point.