FROM:

Ed Mountfield
Vice President - Finance, Risk, Economics and Sustainability

FY26 MIGA Budget: Redacted Version

1. The President's Memorandum and the accompanying report entitled "FY26 MIGA Budget" have been redacted for public disclosure in accordance with MIGA's Access to Information Policy, following approval by MIGA's Board of Directors on May 28, 2025.

2. The attached redacted version reflects the following adjustments:

- Redaction of the President's Memorandum per MIGA's practice for disclosure of its budget paper;
- Redaction of SEC document reference numbers, where applicable;
- Redaction of sensitive or confidential information relating to staff compensation and awards programs; and
- Redaction of information deemed deliberative.

3. The redacted version is posted on MIGA's external website for information only.

Questions on this document should be referred to Ms. Deepti Jerath (202-458-8685 or djerath@worldbank.org) or Mr. Thomas Obudho Obuya (202-458-1768 or tobuya@worldbank.org).

Distribution:
Executive Directors and Alternates
President
Bank Group Senior Management
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FY26 MIGA BUDGET

Text for Public Disclosure

JULY 11, 2025

WORLDBANK GROUP GUARANTEE PLATFORM - MULTILATERAL INVESTMENT GUARANTEE AGENCY

MIGA FY26 BUDGET DOCUMENT – TEXT FOR PUBLIC DISCLOSURE

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ACRONYMS AND ABBREVIATIONS

%	Percent
$	U.S. Dollars
$b	U.S. Dollars in billions
$m	U.S. Dollars in millions
CPF	Country Partnership Frameworks
ECA	Export Credit Agency
EMDE	Emerging Market and Developing Economy
E&S	Environmental & Social
EVP	Executive Vice President
FCS	Fragile and Conflict-Affected Situations
FDI	Foreign Direct Investment
FY	Fiscal Year
GBV	Gender Based Violence
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
IT	Information Technology
MDB	Multilateral Development Bank
MIGA	Multilateral Investment Guarantee Agency, the "Agency"
PRI	Political Risk Insurance
SDG	Sustainable Development Goals
WBG	World Bank Group
WBG-GP	World Bank Group-Guarantee Platform

1. OVERVIEW

This section provides an update on the WBG Guarantee Platform (WBG-GP) implementation, information on the program delivery outlook, and progress on MIGA's Decentralization Strategy.

1.1. WBG GUARANTEE PLATFORM (WBG-GP) IMPLEMENTATION

1 FY25 has been a year of expansion

Aligned with the launch of WBG-GP on July 1, 2024, was the step up in Administrative Budget (15% real increase) to fund the hiring of additional resources to address historical underinvestment and respond to the ambition of $20 billion annual guarantee issuance by 2030. MIGA has also deepened participation in the WBG-wide country engagement process, requiring enhanced staffing levels, and continues to build its field-based capacity.

2 FY26 will be a year of consolidation

The Agency will be drifting to a steady state in FY26, with the FY25 resource ramp up complemented with a modest additional headcount request to scale up the guarantee operations.

1.2. PROGRAM DELIVERY OUTLOOK

3 MIGA forecasts sustained new business volume growth in FY26

During FY25, the WBG-GP is on track to deliver up to $12 billion in new business volume, comprised of up to $9 billion coverage provided by MIGA, $1 billion provided by IBRD/IDA, and $2 billion provided by IFC. This reflects a growth of about 17% based on the FY24 program delivery which includes the WBG products as part of the WBG-GP. For FY26, MIGA expects to sustain this trajectory and forecasts a 15-20% new guarantee issuance growth.

4 Business challenges persist as FDI flows continue to slide

Continued slide in Foreign Direct Investments (FDI) flows to IDA countries, especially in sub-Saharan Africa (est. 3% fall in 2023 FDI vs. 2022) continues to be a key challenge as it directly impacts the traditional political risk insurance guarantees business. As a result, the main driver of the WBG-GP volume growth in the short to medium-term will be the expansion of short-term trade finance guarantees in Africa, World Bank Policy-Based and Partial Credit Guarantees in Blend countries, and MIGA sub-national non-honoring risk and capital optimization guarantees in IBRD countries.

1.3. DECENTRALIZATION STRATEGY

5 Expanding regional presence and enhancing client experience

FY25 MIGA Budget Paper noted MIGA's plans to significantly grow its presence outside of Washington, DC over the next 2 to 3 years. The efforts to strengthen regional presence is well underway – nearly 20% of MIGA staff are now based outside of Washington, DC, with additional plans to scale up in the short to medium-term. Additionally, MIGA has undertaken structural adjustments to enhance the responsiveness of field-based staff to client needs by expanding coverage, business development, and related business origination responsibilities within decentralized regional offices.

2. FY26 INCREMENTAL BUDGET, PRODUCTIVITY SAVINGS & WBG SYNERGIES

This section outlines the drivers of the incremental Budgetary resources, Productivity savings quantified as part of the FY26 Administrative Budget formulation and the outcome of WBG Synergies assessment.

2.1. FY26 INCREMENTAL BUDGET

6 Staff Costs account for 82% of the real budget increase

FY25 Administrative Budget request included funding for additional staff headcount needed to reach the ambitious goals under the WBG-GP and to address historical underinvestment. Of the $10.3 million annual costs of the FY25 new headcount, $5.6 million was partially incorporated into the FY25 Budget, based on assumed onboarding dates. Consequently, embedded in the FY26 proposed Administrative Budget is $4.7 million (5.2% of FY25 Board-approved Budget), reflecting the impact of annualizing the cost of the FY25 approved headcount.

Additionally, the Agency has proposed a modest headcount increase in FY26 to scale up guarantee operations, with focus on strengthening engagement in WBG country programs and Global Challenge Programs (GCPs), expanding field-based positions to enhance client proximity, and reinforcing risk management capacity. The partially budgeted costs for the requested additional headcount based on the assumed onboarding dates total $1.4 million (1.5% of FY25 Board-approved Budget), against the related $2.8 million annual costs.

Subsequent to the initial FY26 MIGA Budget submission, the impact of the above increases have been partially offset by a $0.5 million (0.6% of FY25 Board-approved Budget) reduction in centrally-managed costs and benefits attributable to the reexamination of merit increase and the slightly lower FY26 pension contribution rate approved by the Pension Finance Committee on May 2, 2025, compared to the FY25 level (see **Table 2**).

Overall Staff Costs-related incremental resource increase for FY26 of $5.6 million represents a 6.1% real increase against the FY25 Board-approved Budget.

7 WBG Service and Support fees account for 10% of the real budget increase

Real increase in WBG Service and Support fees compared with the FY25 Board-approved Budget is $0.7million, net. Of the net increase, $0.8 million represents a "true-up" for the increase in MIGA's share of the CAO Ombudsman FY25 annual operating budget, which was not reflected in MIGA's FY25 Administrative Budget pending conclusion of discussions on the drivers for the more than 150% increase in MIGA's cost share from the FY24 level (see **Table 5**).

8 Variable Costs account for the remainder of the real budget increase

MIGA continues to successfully work with its shareholders and guarantee holders to resolve issues and disputes in MIGA guarantee projects. With the increasing number of pre-claims and the complexity of managing claims in high-risk environments, MIGA is creating a Litigation Contingency Provision of $1 million for MIGA Guarantees, with an initial budgetary funding of $0.5 million embedded in Other Costs Expense Category under Variable Costs of FY26 Administrative Budget (see **Table 1**). The provision will help mitigate the financial impact of increased pre-claims and claims activities, ensuring that MIGA can continue to meet its financial obligations and support its growth strategy in IDA and FCS countries.

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9 New resources reflect an 7.5% real increase over the FY25 Budget

As detailed in **Table 2,** Staff Costs account for 6.1% of the total real increase, followed by the WBG Service and Support fees at 0.8% and Variable Costs at 0.4%.

2.2. PRODUCTIVITY SAVINGS

10 Productivity savings of $4.5 million have been quantified as part of the FY26 Administrative Budget formulation

As part of FY26 Administrative Budget formulation, Management has conducted rigorous reviews of the overall budget needs, focusing on assessing the impact of automation efforts, capacity building and optimal resources. This exercise identified productivity savings totaling $4.5 million, representing about 5% of the FY25 Board-approved Budget. The savings reflect the impact of (1) functional repurposing, including workforce optimization ($3.1 million savings), and (2) improved operational efficiencies through automation, operational streamlining, decentralization, and cost optimization in variable spend ($1.4 million savings). **Annex 1** provides details on the initiatives that generated these productivity savings.

Additionally, with the launch of WBG-GP, there are ongoing efforts to streamline operations and due diligence and to reduce unnecessary duplication of efforts between the WBG institutions.

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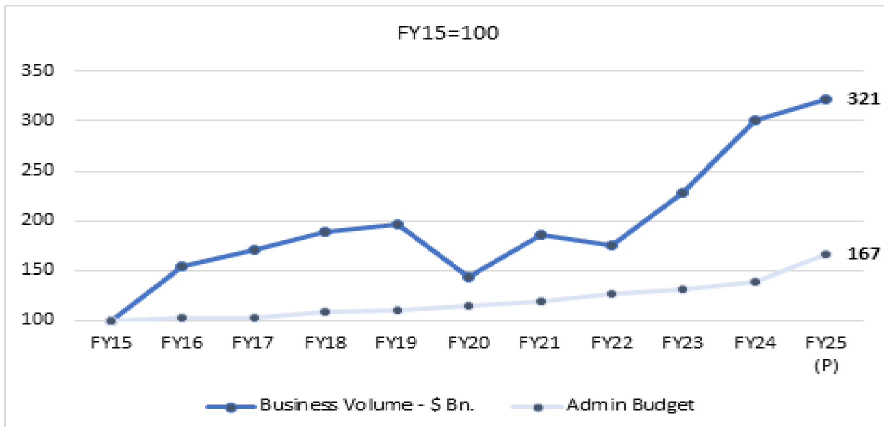
3. OPERATIONAL AND COST EFFICIENCY

This section assesses MIGA's track record on operational and cost efficiency.

12 MIGA has consistently demonstrated operational efficiency

MIGA has a demonstrated track record of operational efficiency as evidenced by more than tripling (+221% growth) of the Agency's annual new business volume over the FY15-25 period, while simultaneously responding to new corporate mandates and the enhanced ambitions under the WBG-GP, compared to the 67% increase in its Administrative Budget over the same period (**Figure 1**).

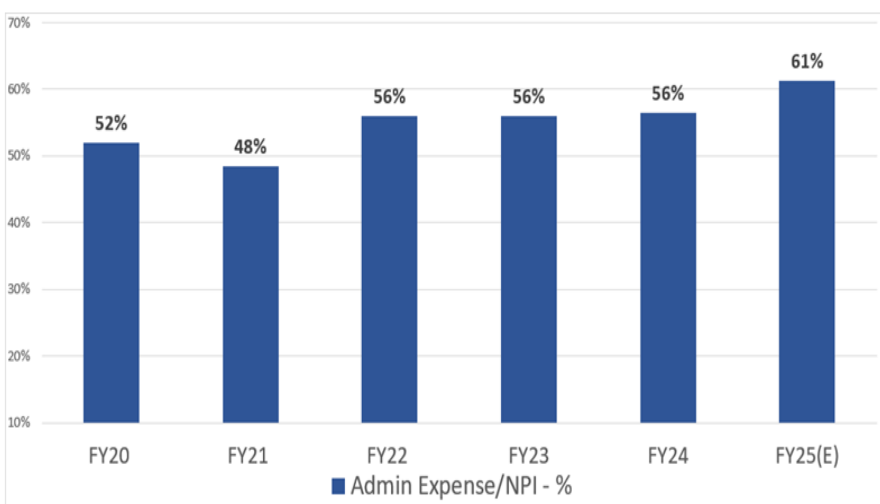
Figure 1 FY15-25 Annual Business Volume and Administrative Budget



13 Through FY24, the Administrative Expenses-to-NPI ratio remained within the 60% cap

Over the FY20-24 period, MIGA's Administrative Expenses-to-Net Premium Income ratio ("Budget Anchor") ranged between 48-56%, with the FY21 ratio of 48% primarily reflecting the COVID-19 restriction impact on variable costs (such as travel expenses) during the first full year of the pandemic lockdown (**Figure 2**).

Figure 2 Administrative Expenses-to-Net Premium Income (NPI) Ratio



14 The Budget Anchor is expected to temporarily

Reflecting the step up in budgetary resources in FY25 to respond to the enhanced program delivery under the WBG-GP, the projected Administrative Expenses-to-Net

exceed the 60% cap in FY25 and FY26	Premium Income (NPI) ratio of 61% could exceed the 60% cap, with the FY26 ratio expected to inch even higher in the 61-63% range. MIGA anticipates that this temporary breach will reverse by FY27, factoring in the NPI impact of the anticipated growth in MIGA's guarantee portfolio.
15 Budget Anchor computation is based on MIGA's core Administrative Budget	Staff costs relating to the IBRD/IDA Guarantee Operations staff transferred to MIGA effective July 1, 2024, as part of the WBG-GP implementation are excluded from the Administrative Expenses applied in computing the Budget Anchor. Funded by agreed-upon annual transfer from IBRD/IDA through FY27 ($6.9 million in FY25 and $7.1 million in FY26), the associated costs are budget neutral for MIGA in the initial years.

4. ADMINISTRATIVE BUDGET

This section details MIGA's FY26 Administrative Budget request.

4.1. FY26 ADMINISTRATIVE BUDGET

16 MIGA is proposing an Administrative Budget of $100.3 million for FY26

MIGA Management is seeking an Administrative Budget of $100.3 million (7.5% real increase; 10.6% nominal increase) for FY26, compared to the FY25 Board-approved Budget of $90.7 million (see **Table 1**).

Table 1 FY26 Administrative Budget Request ($m)

	FY25 Approved Budget	*% of Total Budget*	FY26 Budget Request	*% of Total Budget*	Variance FY26 Request vs. FY25 Budget	
Fixed Costs	**64.4**	***71%***	**72.3**	***72%***	**7.9**	**12.3%**
Staff Costs	54.2	*60%*	61.7	*61%*	7.5	13.8%
IT and Communications	5.1	*6%*	5.8	*6%*	0.7	13.7%
Depreciation	1.5	*2%*	1.7	*2%*	0.3	18.1%
Equipment and Building	3.6	*4%*	3.1	*3%*	-0.5	-14.8%
Variable Costs	**18.1**	***20%***	**18.8**	***19%***	**0.7**	**3.9%**
Consultants and Temps	4.9	*5%*	4.7	*5%*	-0.2	-4.4%
Travel	4.7	*5%*	5.1	*5%*	0.5	10.2%
Representation & Hospitality	0.2	*0%*	0.2	*0%*	0.0	-6.1%
Contractual Services	6.0	*7%*	5.8	*6%*	-0.2	-3.2%
Other Costs	2.3	*3%*	2.9	*3%*	0.7	29.0%
WBG Service & Support Fees	**8.2**	***9%***	**9.2**	***9%***	**1.0**	**12.2%**
TOTAL ADMINISTRATIVE BUDGET	**90.7**	***100%***	**100.3**	***100%***	**9.6**	**10.6%**

Note* A CPI adjustment factor of 2.9% has been applied in determining FY26 nominal budget, based on the actual average CPI for CY24, as reported by the IMF in the World Economic Outlook

Staff Costs account for 82% of the real increase, with WBG Service and Support fees, and Variable Costs accounting for the remaining 18% (**Table 2**).

Table 2 FY26 Incremental Resource Needs ($m)

	Original Request	Change	Revised Request	Revised Request - Vs. FY25 Budget (Inc/Dec))
FY25 Board-Approved Budget	**90.7**	**-**	**90.7**	**-**
Additional Resources				
Staff Costs				
- Annualizing FY25 new headcount	4.7	-	4.7	5.2%
- Budgetary impact of FY26 new headcount	1.4	-	1.4	1.5%
- Reduction in Centrally Managed Staff Costs & Benefits	-	(0.5)	(0.5)	-0.6%
Other Fixed Costs	0.1	-	0.1	0.1%
Variable Costs	0.4	-	0.4	0.4%
WBG Service & Support fees	0.7	-	0.7	0.8%
Total increase in resources (FY25$)	**7.3**	**(0.5)**	**6.8**	**7.5%**
FY26 Proposed Administrative Budget (FY25$)	**98.0**	**(0.5)**	**97.5**	
Add: CPI Adjustment factor of 2.9%	2.8	(0.0)	2.8	3.1%
FY26 Proposed Administrative Budget (FY26$)	**100.8**	**(0.5)**	**100.3**	**10.6%**

17 Variable costs mirror FY25 levels despite increasing work program Except for Other Costs, in which the newly introduced $0.5m Litigation Contingency provision is embedded, variable cost allocations remain largely unchanged from FY25 levels, despite the higher program delivery ambition, rising travel costs and increased decentralization.

18 Operations-related activities account for 59% of FY26 Budgetary resources The proposed FY26 Administrative Budget functional attribution remains broadly in line with that of FY25, demonstrating the continued focus in allocating resources to support Operations-related activities (**Table 3**). Operations Support functions include efforts towards various programmatic initiatives and Upstream efforts such as Country Risk Analysis, Corporate Scorecards, and Partnerships.

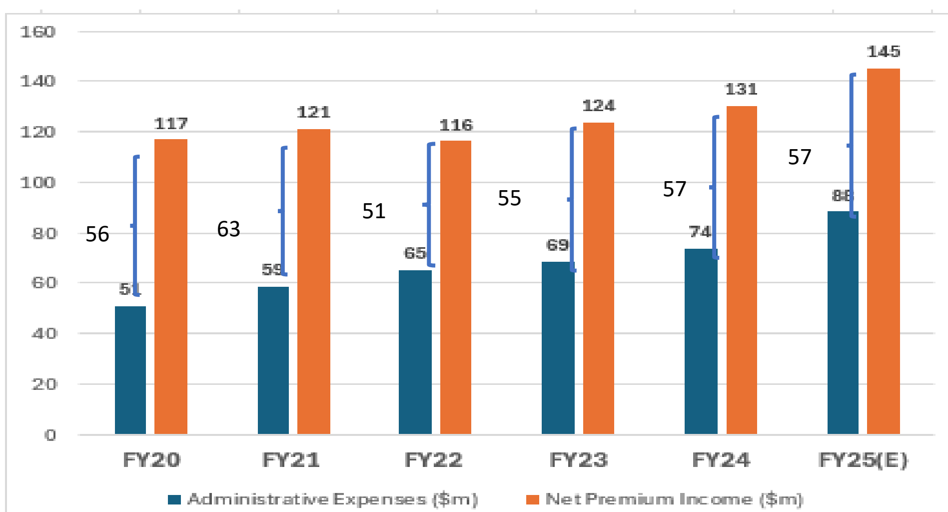
Table 3 FY26 Administrative Budget Request: Functional Attribution ($m)

Details	FY26 Budget allocation	As a % of Total Budget	FY25 Budget allocation	As a % of Total Budget
Operations:				
Projects Origination	19.1	19%	18.6	21%
Projects Execution	20.2	20%	18.6	21%
Portfolio Management	20.2	20%	18.6	21%
Operations - Total	**59.4**	**59%**	**55.8**	**60%**
Investment Management	1.7	2%	1.5	2%
Operations Support Function	39.1	39%	33.6	37%
Total	**100.3**	**100%**	**90.7**	**100%**

4.2. ADMINISTRATIVE EXPENSES COVERAGE

19 MIGA is financially sustainable with Net Premium Income (NPI) remaining considerably above its Administrative Expenses Operating income, represented by the excess of NPI over Administrative expenses, is projected to be $57 million in FY25, unchanged from the FY24 level, with the impact of the higher FY25 forecast Administrative expenses offset by the impact of the concomitant increase in NPI.

Figure 3 Administrative Expenses and Net Premium Income ($m)



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4.3. TOTAL RESOURCES

20 External Funds remain an insignificant component of Total Resources

MIGA's Total Resources are slated to increase to $112.7 million in FY26 from $102.4 million in FY25, driven principally by the growth in MIGA's core Administrative Budget (see **Table 4**). Effective FY25, external funds include an annual transfer from IBRD for the initial three fiscal years to cover the costs of the IBRD/IDA Guarantee Operations staff transferred to MIGA on July 1, 2024, as part of the WBG-GP implementation. The annual transfer amounts to $7.1 million for FY26 and $6.9 million for FY25 and is included in Reimbursements in **Table 4**. The costs of IFC staff assigned to the WBG-GP under Short-Term Assignment (STA) arrangements are paid for by their respective IFC Business Units.

Table 4 FY23-26 Total Funds ($m)

Source of Funds		FY23	FY24	FY25	FY26
MIGA Administrative Budget /1	**A**	**71.2**	**75.8**	**90.7**	**100.3**
External Funds:					
a. Trust Funds:	B	1.4	1.9	4.5	4.7
b. Reimbursements:	C	0.6	0.6	7.2	7.7
Total External Funds /2	**D=B+C**	**2.0**	**2.5**	**11.7**	**12.4**
Total Funds	**A+D**	**73.2**	**78.3**	**102.4**	**112.7**
External Funds as a % of Total Funds		**2.7%**	**3.2%**	**11.5%**	**11.0%**

/1: Approved Budget for FY23-25 and Proposed Budget for FY26.
/2: Actuals for FY23-24 and Estimates for FY25-26.

4.4. WBG SHARED COSTS

21 MIGA leverages the services of the Bank and IFC for a range of support functions from Administrative to Governance & Compliance Functions

MIGA has several Shared Service Agreements (SSAs) with IBRD and IFC to provide support relating to various functions, namely, information technology, risk management, human resources, investment portfolio management, general services, transaction and administrative expense support and compliance activities, among others.

FY26 WBG Shared costs are estimated at $15 million which include WBG service and support fees totaling $9.2 million representing 9.2% of MIGA's proposed FY26 Administrative Budget (see **Table 5**).

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Table 5 WBG Shared Services Costs ($000)

Service	FY26 estimate	FY25 budget	Variance from FY25
WBG support and service fees	9,163	8,217	946
IT services[1/]	3,174	3,085	89
HQ Real estate management by GCS [2/]	2,662	2,641	21
Total	**14,999**	**13,943**	**1,057**

1/ Expenses associated with IT services are reflected under "IT&Communications" Expense Category.

2/ Expenses associated with U building rent are recorded and budgeted for under "Equipment and Buidling" Expense Category

As noted previously in **paragraph 7** above, the increase in WBG Support and Service fees is attributable principally to the impact of the "true-up" for the increase in MIGA's share of the CAO Ombudsman FY25 annual operating budget, which was not reflected in MIGA's FY25 Administrative Budget, pending conclusion of discussions on the drivers for the more than 150% increase in MIGA's cost share from the FY24 level.

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5. CAPITAL BUDGET

This section provides details on MIGA's FY26 Capital budget proposal.

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

5.1. INFORMATION TECHNOLOGY

23 Management proposes a $6 million IT Capital Budget to support WBG-related initiatives and additional automation opportunities

Effective FY25 cycle, MIGA follows an annual approach for its Capital Budget instead of the previous 3-year cycle, which Management considers more suitable as it allows for a more agile and effective IT capital-related planning process.

For FY26, MIGA proposes a Capital Budget of $6 million for FY26 to fund key projects to enhance capacity-building efforts, drive operational efficiency, and support strategic initiatives in alignment with WBG's IT Strategy.

Key planned initiatives for FY26 include:

1. **MIGA Guarantee System (MGS) 2.0 Cloud Transition**
   This initiative focuses on strengthening MGS functionality while laying the groundwork for an integrated workbench and common components.
2. **Shaping the Future Landscape**
   This aims to establish a modernized and streamlined digital environment, to enhance user experience, Data and Application Programming Interface management practices and an Automated Testing Strategy to drive consistency, reliability, and scalability.
3. **Tactical Enhancements to the Existing Landscape**
   To improve system performance and resilience, targeted enhancements will be made to current applications and infrastructure to optimize performance, reliability, and quality.
4. **Support to WBG System upgrade/replacement projects (ARIA and Integrated Planning Solution)**
   This investment plan underscores MIGA's commitment to enhancing efficiency, strengthening digital infrastructure, and driving long-term operational excellence across the Agency and the WBG.

5.2. FACILITIES

24 Capital budget approved in FY22 of $0.5 million under the Legacy Framework remains sufficient

As part of MIGA's field office co-location arrangements with the World Bank and IFC, the Agency occasionally 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 FY22 of $0.5 million for Office space reconfiguration remains sufficient at this point.

6. FY26 BUDGET RECOMMENDATIONS

25 Management seeks Board approval of the FY26 MIGA Budget

Management seeks the Board of Directors' approval of the following:

- *Administrative Budget*: MIGA's FY26 Administrative Budget of $100.3 million, managed within a range of +/- 3 percent;
- *Capital Budget*: MIGA's FY26 Capital Budget of $6 million; and

ANNEX 1 ANALYSIS OF PRODUCTIVITY SAVINGS IN FORMULATING FY26 BUDGET

As part of FY26 Administrative Budget formulation, Management has conducted rigorous reviews of the overall budget needs focusing on the impact of automation efforts, capacity building and optimal resource allocation. This exercise identified productivity savings totaling $4.5 million, representing about 5% of the FY25 Board-approved Budget. The savings reflect the impact of (i) functional repurposing, including workforce optimization, and (ii) improving operational efficiencies through automation, operational streamlining, decentralization, and cost optimization in variable spend, as detailed below.

1. Functional Review & Repurposing ($3.1 million in Savings)

Strategic review of workforce distribution and resource allocation to optimize efficiency, reduce costs, and align staffing with evolving priorities.

- Redeployment of existing staff to priority areas, reducing dependency on contingent workforce.
- Absorption of work previously managed by contractual staff into permanent roles, lowering short-term contract costs.
- Repurposing internal expertise for training and policy-related work, reducing reliance on external consultants.
- Rationalizing staffing allocations across core and emerging priorities to improve workload distribution and cost avoidance.

2. Process Rationalization & Operating Efficiencies ($1.4 million in Savings)

Efforts focused on automating processes, enhancing digital tools, streamlining workflows, and optimizing branding strategies to improve efficiency that contribute to reduced operational costs.

- *Operational Efficiencies* through Automation and Process Optimization.
- *Automation of Routine Tasks*: Deploying digital workflows and tools to eliminate manual inefficiencies and accelerate turnaround times.
- *Development of a Digital Knowledge Platform*: Creating a centralized repository for training materials, reducing external trainer costs.
- *Process Standardization for Compliance & Reporting*: Implementing digital dashboards and structured workflows for project documentation and regulatory compliance.
- *Remote and Desk-Based Due Diligence*: Expanding virtual collaboration to minimize travel needs and optimize resource allocation.
- *Enhanced Productivity through Technology*: Leveraging AI-driven tools, automated frameworks, and cloud-based platforms for improved operational efficiencies.
- *Workforce Redistribution*: Deploying staff in strategic locations to optimize operational reach while minimizing travel costs.
- *Targeted Media Engagement*: Expanding brand visibility through cost-effective media partnerships, reducing reliance on expensive traditional advertising.
- *Process Rationalization for Event Management*: Utilizing internal resources for technical workshops, ensuring knowledge continuity while cutting event-related expenses.

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ANNEX 2 BUDGET ASSUMPTIONS, UNCERTAINTIES AND FLEXIBILITY

Below is a summary of the assumptions, uncertainties, and flexibility inherent in FY26 Administrative budget construction.

BUDGET ASSUMPTIONS AND UNCERTAINTIES

Annual pension plans contribution rates may vary from year-to-year	Effective FY21, unlike the WB and IFC who apply standard rate of 35%, MIGA budgets for contributions to the staff pension plans based on an assumed rate that is best proxy to the actual contribution rate approved by the Pension Finance Committee (PFC), typically available post the Budget Paper distribution to the Board.
Legal Operational and Financial Implications of the WBG-GP Evolution	The launch of the WBG - Guarantee Platform necessitates managing both new World Bank guarantees and the extensive portfolio accumulated over the past two decades, requiring substantial time and resources, particularly from the legal department. World Bank guarantees are often structured during the upstream phase of project development, involving extensive preparatory work. This phase demands significant time from lawyers for detailed negotiations and legal structuring well in advance of project implementation. The complexity and duration of this work are substantial, often spanning several months. Additionally, managing the upstream work effectively requires lawyers to travel to various countries for meetings with government officials and stakeholders. This travel is essential to ensure guarantees meet client needs and align with host country regulations. Face-to-face interactions facilitate better communication, foster trust, and resolve complex legal issues. However, increased travel will result in higher costs, which must be carefully managed to avoid adverse budget impacts. Furthermore, there is a responsibility to address several troubled projects within the World Bank portfolio, requiring the same level of intervention and support as MIGA guarantees. The Pre-claim intervention process involves thorough review and restructuring of troubled projects to mitigate risks and ensure successful completion. This resource-intensive process demands high expertise and coordination, including identifying root causes, developing corrective action plans, and closely monitoring implementation to bring projects back on track. These combined factors create significant cost pressures that must be carefully managed.
Enhancement of MIGA Evaluation Program	The challenges posed by COVID-19 and the increased portfolio sensitivity due to the rise in global risks have resulted in a significant backlog of projects under the MIGA Evaluation Program. This backlog, combined with the substantial future evaluation requirements for the growing portfolio, necessitates implementation of additional measures to support the MIGA Evaluation Program. This will require significant additional work and potentially more staff for the evaluation function.

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MIGA's field office presence enhancement may introduce additional Global Mobility-related costs

As MIGA focuses on enhancing its global footprint and increases senior presence in country offices, there could be additional Global Mobility-related cost implications.

BUDGET FLEXIBILITY MECHANISM

MIGA's FY26 Flexibility Mechanism "Flexibility Band" represents 3% of the FY26 proposed Administrative Budget

The mechanism, approved by the Board effective FY24, is designed to provide the Agency with the needed flexibility to respond to unexpected events or budgetary needs not embedded in the current Administrative Budget proposals. For FY26, MIGA's Flexibility Mechanism, represented by a -/+3% Flexibility Band, translates to $3.01 million, being 3% cap based on the proposed FY26 Administrative Budget.

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