INTERNATIONAL MONETARY FUND

November 2023

FY2023—OUTPUT COST ESTIMATES AND BUDGET OUTTURN

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International Monetary Fund
Washington, D.C.

INTERNATIONAL MONETARY FUND

FY2023—OUTPUT COST ESTIMATES AND BUDGET OUTTURN

July 26, 2023

EXECUTIVE SUMMARY

The Fund's FY23 operations supported members in addressing a shock-prone global economy and longer-term structural challenges. Spillovers from Russia's invasion in Ukraine, high inflation, global financial tightening, and intensified geopolitical fragmentation contributed to rising uncertainty and difficult policy trade-offs. The IMF helped its members through financing, granular policy advice, and enhanced CD support.

FY23 also marked the first year of implementation of the phased budget augmentation to advance Fund's work on climate change, digital money, macrofinancial surveillance, fragility, and inclusion. It also marked the launch of operations supported by the Resilience and Sustainability Trust. Analytical and policy work, particularly in these strategic areas, focused on foundational work, including the development of core tools, analytical capacity, and pilot engagements.

The Fund's overall budget utilization rose to 100 percent from 97 percent in FY22 and 95 percent in FY21, mainly reflecting increased in-person engagements; rising prices, including for travel; progress in filling vacancies; and increased building occupancy. Spending on direct country engagements saw an increase of 8 percent year-on-year, and CD delivery (complemented by external resources) grew by double-digits. With general budget utilization (excluding ED Offices and the Independent Evaluation Office) at 101 percent, $8 million in general carryforward resources were used in FY23.

Capital spending focused on a post-pandemic resumption of facilities-related investments to support hybrid work and staff growth and stabilization of IT-intensive capital investments. Cloud license expenses continued to rise steadily in FY23.

Approved By
Michele Shannon

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TABLES

ANNEXES

Abbreviations and Acronyms

ACES	Analytic Costing and Estimation System
AD	Area Departments
AFR	African Department
APD	Asia and Pacific Department
BSL	Bilateral Surveillance and Lending
CBDC	Central Bank Digital Currency
CCBR	Comprehensive Compensation and Benefits Review
CD	Capacity Development
CDEF	Externally Financed Capacity Development
CDFF	Fund-Financed Capacity Development
CDMAP	Capacity Development Management and Administration Program
CFX	Corporate Functions
COM	Communications Department
CSR	Comprehensive Surveillance Review
ECF	Extended Credit Facility
EFF	Extended Fund Facility
FAD	Fiscal Affairs Department
FCS	Fragile and Conflict-Affected States
FGF	Fund Governance and Fund Finances
FIN	Finance Department
FSAP	Financial Sector Assessment Program
FTE	Full-Time Equivalent
GPA	Global Policy Agenda
GRA	General Resource Account
HRD	Human Resources Department
ICD	Institute for Capacity Development
iDW	Integrated Digital Workplace
IEO	Independent Evaluation Office
LEG	Legal Department
LOE	Lending including other engagement
MCD	Middle East & Central Asia Department
MCM	Monetary and Capital Markets Department
MSGS	Multilateral Surveillance and Global Standards
OBP	Office of Budget and Planning
OED	Office of Executive Directors
PA	Policy and Analytics
PRGT	Poverty Reduction and Growth Trust
RCF	Rapid Credit Facility
RES	Research Department
RFI	Rapid Financing Instrument

RSF	Resilience and Sustainability Facility
RST	Resilience and Sustainability Trust
SBA	Stand-By Arrangement
SCF	Stand-By Credit Facility
SEC	Secretary's Department
SPR	Strategy, Policy, and Review Department
STA	Statistics Department
TFMF	Trust Fund Management Fee
TIMS	Travel Information Management System
TRACES	Time Reporting for Analytic Costing and Estimation System
TRM	Office of Transformation Management
WHD	Western Hemisphere Department

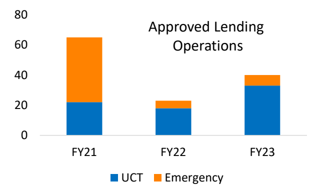
FY23 HIGHLIGHTS

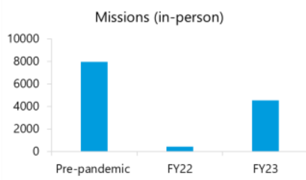
100 percent structural utilization (101 percent excluding OED/IEO). First phase of augmentation ($21.8 million)

$1.293 billion
Total net administrative expenditures

38 lending operations, including **5** RSF arrangements

Continued shift to traditional (UCT) lending; increased operations





Strong pick up of in-person engagements

4,528
in-person missions to 196 countries

117 Article IV consultations completed

8 FSAPs completed

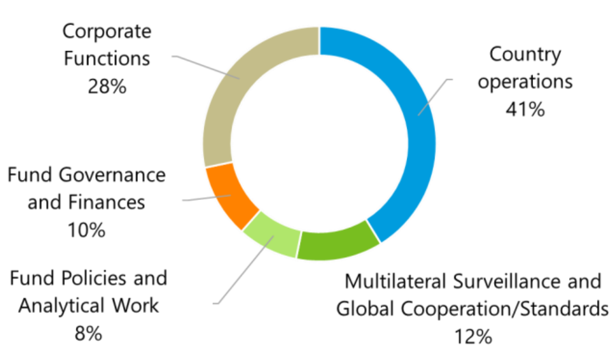
85 percent execution of external resources, **27** percent increase versus FY22

$195 million
Externally financed spending

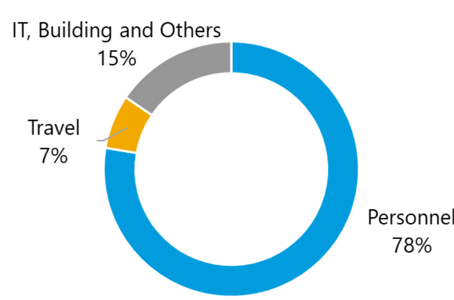
$96 million
Capital spending

60 percent focused on IT-intensive projects and licenses

Spending by Output
(Gross administrative spending)



Spending by Input
(Gross administrative spending)



SECTION I. OVERVIEW

1. **Global challenges.** FY23 was marked by the spillovers of Russia's invasion of Ukraine, intensified geopolitical fragmentation, and high inflation dynamics that contributed to uncertainty and a significant rise in demand for Fund's support. With limited policy space and already high debt, members faced increasingly difficult policy trade-offs in a shock-prone global environment, also marked by long-term structural challenges, as emphasized in the Managing Director's Global Policy Agendas (April 2022 and October 2022).

2. **Agile response.** The Fund responded with financing; real-time, granular advice; and enhanced CD support. The Fund is also supporting countries with new tools under the Resilience and Sustainability Trust (RST), the Food Shock Window, and a strengthened toolkit to address debt issues. These priorities were reflected in the FY23-25 budget. They were also supported by the augmentation framework approved by the Executive Board to ramp up Fund's efforts in key areas over a three-year period beginning in FY23, with a return to a flat real envelope starting in FY26.

3. **Budget utilization.** Net administrative budget execution ($1,293 million) reached 100 percent of the structural budget in FY23 (101 percent of the general budget, excluding OED and IEO), up from 97 percent in FY22 (Table 1). As a result, about 1 percent ($8 million) of general carryforward resources were used in FY23. Full utilization reflected a resumption of travel, representation, and in-person engagements, especially in the second half of the year; low vacancies; increased building occupancy; and higher use of contractual services. With the augmentation resources targeted to specific priorities, the Fund continued to fund demands in traditional core priority areas, including ongoing crisis-related work, through savings, reprioritization, and carryforward (Box 1). FY23 was also marked by sustained work pressure on Fund staff (Box 2).

Table 1. Overview of Administrative Budget and Expenditures, FY22-23

(Millions of U.S. dollars, unless otherwise noted)

	FY22			FY23		
	Budget	Outturn	Utilization (percent)	Budget	Outturn	Utilization (percent)
Total gross expenditures	**1,460**	**1,346**	**92**	**1,562**	**1,522**	**97**
Fund-financed	1,249	1,205	96	1,333	1,327	100
Externally-financed 1/	210	141	67	230	195	85
Total net expenditures	**1,214**	**1,180**	**97**	**1,295**	**1,293**	**100**
of which: Fund-financed	1,214	1,180	97	1,295	1,293	100
Memorandum items:						
General Net Admin Budget 2/	1,130	1,106	98	1,207	1,216	101
Carryforward from previous year	102			93		
Other transitional transfers 3/	8			9		
Total net available resources	**1,323**	**1,180**	**89**	**1,396**	**1,293**	**93**

Source: OBP. [1] Based on receipts from donors. [2] Available resources excluding OED/IEO. [3] Available resources from OED/IEO excess underspend above their carryforward limits.

Box 1. Reprioritization to Meet Pandemic-Related Needs, FY21-FY23

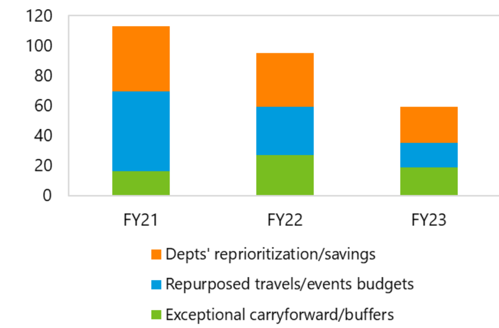
Pandemic response. To address crisis-related needs, a temporary ramp-up of staff was allocated in FY21-FY22, totaling 128 FTEs in FY21 and 135 FTEs in FY22. About 60 percent was channeled for intensified engagement in ADs and direct participation in country teams by FDs. A third was allocated for crisis-related policy and analytical work and country review. Remaining positions helped support other risk and crisis-related work pressures.

Crisis funding. The temporary ramp up of staffing was funded from three main sources:

- **Reprioritization/savings.** As part of the annual budget process, Departments identified less urgent deliverables to be deferred or modified to provide space to focus on crisis response.
- **Repurposing of travel budget.** With global travel disruptions, about 95 percent of business travel resources were reallocated to crisis needs in FY21. This share declined to 50 percent in FY22 and to 25 percent in FY23 with travel resumption. Event budgets were also repurposed.
- **Exceptional carryforward and buffers.** To help address crisis needs, the Board increased the general carryforward limit from 3 percent to 5 percent in FY21 and to 8 percent in FY22. The carryforward limit is being gradually reversed to its historic norm of 3 percent, beginning with a reduction to 7 percent in FY23. Underspend by the Offices of the Executive Board and Independent Evaluation Office have also provided additional space.

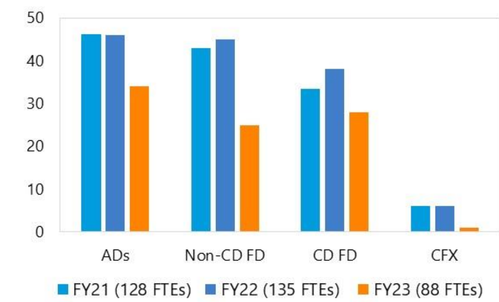
FY21-23 Crisis Funding, Sources

(Millions of U.S. dollars)



Source: OBP.

Evolution of Crisis Positions FTEs



Source: OBP.

Evolution of Crisis Positions. With the lifting of the Fund's travel restrictions and the need to avoid a prolonged dependency on one-off resources, particularly in the context of rising execution rates, crisis positions declined to 88 FTEs in FY23. This process is expected to continue for an additional couple of years.

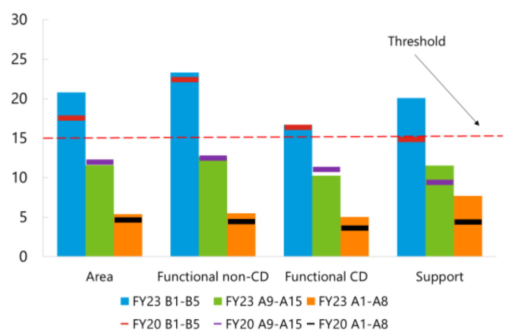
4. **Budget augmentation framework**. Following a decade of flat real budget, the Board approved a targeted augmentation of resources to strengthen Fund's support to members' long-term challenges, including climate change, digital money, macrofinancial surveillance, fragility, and inclusion. FY23 spending in these priority areas was in line with the projection of a 2 percent real augmentation of resources. Additional resources focused on foundational work, including the development of core tools, analytical capacity, and pilot engagements. The Fund increased its global footprint, in particular to support fragile and conflict-affected states (FCS) and underwent some internal reorganization to better support these cross-cutting issues. Lessons learned in FY23 will inform the second and third year of implementation of the budget augmentation framework. More details and key deliverables are presented in paragraph 16 and Box 4.

Box 2. Work Pressures

Work pressures remained elevated in FY23, with average overtime still above pre-pandemic levels, particularly for senior staff. Average overtime remained high relative to pre-pandemic levels, with B-level staff across most departments exceeding the 15 percent threshold. Annual leave rates have recovered, however. The impact of sustained demand on the Fund and corresponding staff work have contributed to stress and strained work-life balance, with demand for Fund engagements projected to remain elevated for some time.

Average Overtime, FY20-23[1]

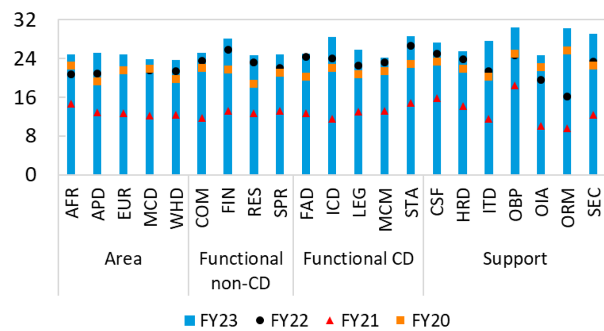
(Staff only, percent)



[1] Excludes regional offices. Percent of actual work hours.

Average Annual Leave by Dept Type, FY20-23[1]

(Staff only, days)



[1] Excludes regional offices.

5. Paper structure. Section II provides an overview of FY23 administrative spending by main output areas and priority topics, as well as spending by department. Section III details the FY23 outturn by key input category. Section IV examines execution of the capital budget.

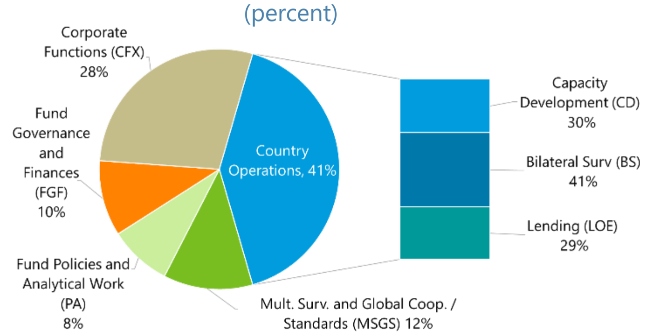
SECTION II. SPENDING BY OUTPUT AREA

6. Broad-based increase. Estimates of spending on a real basis by output area exclude travel to support comparability with FY22, unless otherwise indicated (Figure 1).

Figure 1. Fund Outputs, FY23

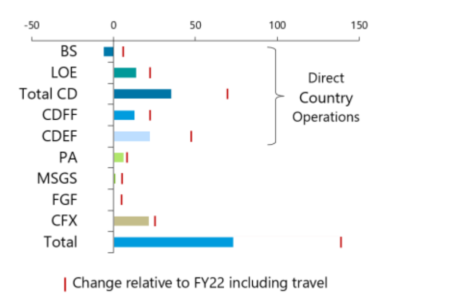
Spending by Output, FY23

(percent)



Spending Changes, FY23 Relative to FY22

(In millions of FY23 U.S. dollars)



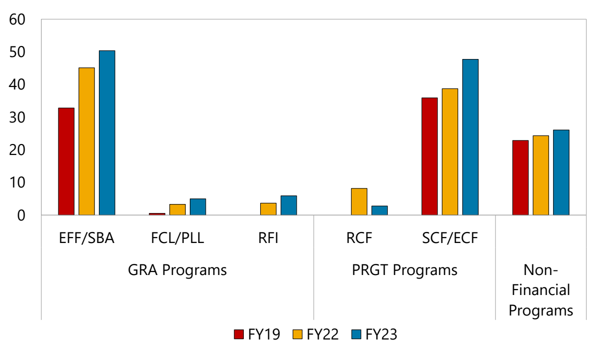
Source: TRACES/TIMS/iBBIS/Staff Estimates. Excludes Misc. and Central Resources. Excludes travel except red line.

7. Country engagements. This remains the largest output area, rising 8 percent ($44 million) excluding travel (18 percent increase, $96 million including travel).

- **Financial support** (Figure 2). Following two years of extraordinary pandemic-related operations, FY23 saw an increase in demand for upper credit tranche (UCT) arrangements. The new lending instrument, the RSF, became operational in October 2022, with 5 pilot programs approved in FY23 (Box 3). The Board approved 38 programs, of which 33 UCT (including precautionary) and 7 emergency operations, relative to 18 UCT and 5 emergency operations in FY22. Excluding travel, spending on UCT operations rose by 16 percent relative to FY22 ($14 million). Expenditures associated to non-financial programs increased by 7 percent ($2 million).

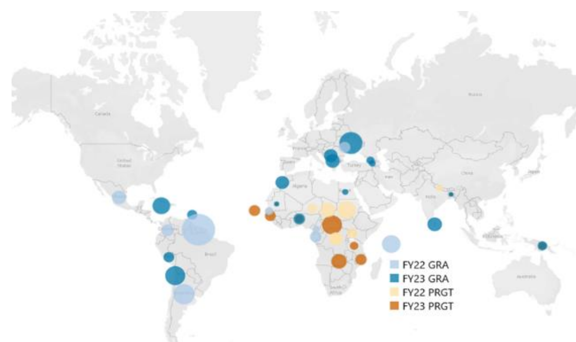
Figure 2. Spending on Lending Activities, FY23

Spending Related to Lending by Facility
(Direct Costs excl. travel, millions of FY23 U.S. dollars)



Sources: TRACES, TIMS, iBBIS, staff estimates.

Fund Lending: UCT-Related Arrangements[1]
(Bubble size reflects percent of GDP at approval)



Source: FIN, WEO, OBP calculations. [1] Includes precautionary.

Box 3. Resilience and Sustainability Trust and Facility

Context. The RST and RSF were established in May 2022 and became operational in October 2022. The RSF focuses on resilience to external shocks and support for sustainable growth, contributing to long-term balance of payment stability. It is a key element of the Fund's climate-related toolkit.

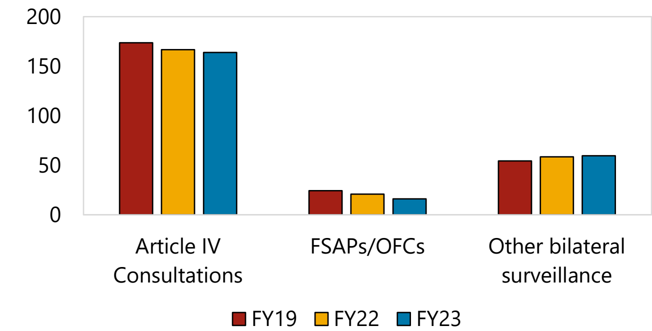
Budget. RST set-up costs were included in the FY23 budget, including work on design, fundraising, IT configuration, and development of policies and guidance. Operational costs in FY23 were absorbed with in-year reprioritization, reallocations, and overtime. Starting in FY24, RST-related operational costs will be reimbursed directly to the GRA from the Trust. A management fee will cover trust management costs, affecting the gross administrative budget, with the net administrative budget unchanged.

Outturn. FY23 RST delivery costs are estimated at $8 million, covering incremental work on program design and review, policy discussions with the authorities, monitoring of program implementation, and policy development, including review, analytical, and evaluation work on programs supported by RSF resources, as well as Fund overhead costs (e.g., space; equipment). The spending reflects work on RSF programs for five countries approved by the Board in FY23, four programs approved in early FY24, advanced discussions with two countries, and another 39 expressing interest in this facility. Operational spending per program is expected to be highest in the ramp-up period, as staff gains experience with the facility. FY23 trust management spending was $4 million, including work on financial transactions and reporting, resource mobilization, investment activity, and reviews of financial terms and resources.

- **Bilateral surveillance** (Figure 3). Spending on country surveillance excluding travel decreased by 3 percent ($6 million) relative to FY22 reflecting lower spending on Article IV Consultations and FSAPs, particularly in advanced economies and with increased lending. In FY23, 117 bilateral consultations and 8 FSAPs were completed, compared to 126 and 11, respectively, in FY22. Other bilateral surveillance work, including on AML/CFT and standards and codes were in line with previous years.

Figure 3. Spending on Bilateral Surveillance, FY23

(Direct Cost excluding travel, millions of FY23 U.S. dollars)

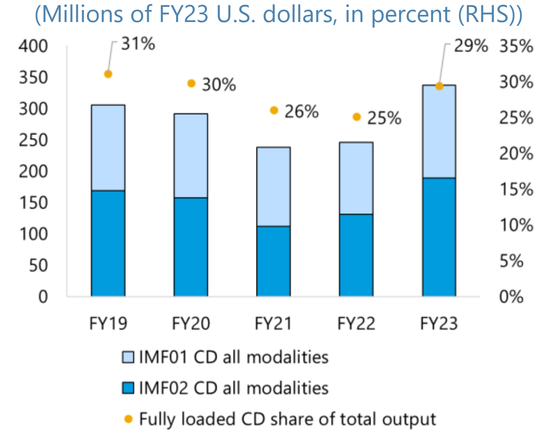


Sources: TRACES, TIMS, iBBIS, staff estimates.

- **Capacity development** (Figure 4, Annex II)**.** Departmental CD spending (including direct spending and departmental overheads but excluding Fund-wide overheads) increased by 31 percent to $337 million.
  - Fund-financed spending reached $148 million, 43 percent of total departmental spending and an increase of 23 percent relative to FY22, albeit still below pre-crisis levels. Growth in FY23 reflects a return to travel and renewed use of short-term experts.
  - Externally funded CD spending increased to $189 million (57 percent of departmental CD spending), an increase of 37 percent compared to FY22, and in line with pre-pandemic levels. This spending represented 85 percent of the $222 million available envelope.
  - Including Fund-wide overheads, CD represents 29 percent of Fund spending. Including Fund-wide overheads, fully loaded Fund-financed CD spending represents 56 percent of total CD spending and externally funded CD, 44 percent.

Figure 4. CD Spending FY19-23

(Millions of FY23 U.S. dollars, in percent (RHS))



Sources: TRACES, TIMS, iBBIS, staff estimates. Note: Blue bars include departmental overheads and travel. Yellow dot includes Fund-wide overheads.

- **Average country spending** (Figure 5). Average direct country spending excluding travel (financed with internal and external resources) increased by 7 percent (to $2.3 million) relative to FY22(17 percent to $2.6 million including travel). Excluding externally funded CD, average direct country spending increased by 4 percent (to $1.8 million). Spending on surveillance countries averaged $1.2 million, an increase of 3 percent relative to FY22. Average spending for countries under intensive surveillance (near program and systemically important countries) remained unchanged from FY22, while for countries with Fund's arrangement the year-on-year increase was 13 percent.

Figure 5. Direct Spending per Country, FY23 vs. FY22

(Average Direct Cost excluding travel, Millions of FY23 U.S. dollars[1/])

Sources: TRACES, TIMS, iBBIS, staff estimates. [1] Direct country support spending only. Excludes travel, and communications related work, as well as Fund-wide overheads.

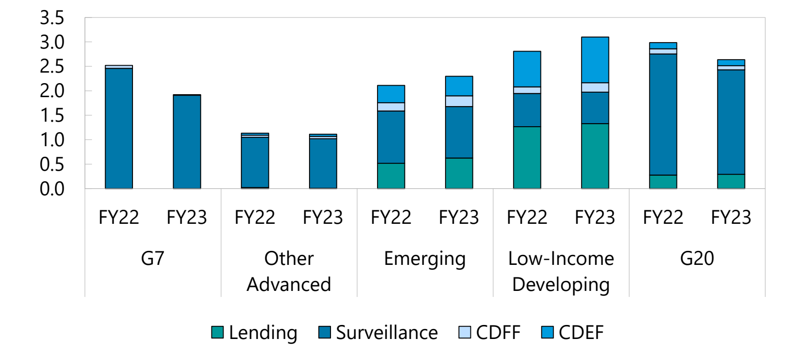
- **Spending by income level.** Average direct spending excluding travel increased across most income groups of developing economies (Figure 6). Average spending for G7 countries decreased by about 25 percent to $1.9 million, increased by 9 percent for emerging economies to $2.3 million, and rose 10 percent for low-income developing countries to $3.1 million.

8. **Multilateral surveillance** (Figure 7). Flagship publications in FY23 mainly focused on inflation, food and energy insecurity, trade spillovers, and debt sustainability. Spending on multilateral surveillance excluding travel increased by 2 percent compared to FY22.

9. Global cooperation and standards. FY23 direct spending excluding travel remained broadly unchanged relative to FY22, with the Fund's contributions to international fora marked by the ramp-up of coordination on climate change, digital money, and a focus on fragility. Work on global standard setting, methodologies, and manuals in core areas also continued.

Figure 6. Direct Spending by Income Level, FY23

(Average Direct Cost excluding travel, Millions of FY23 U.S. dollars)

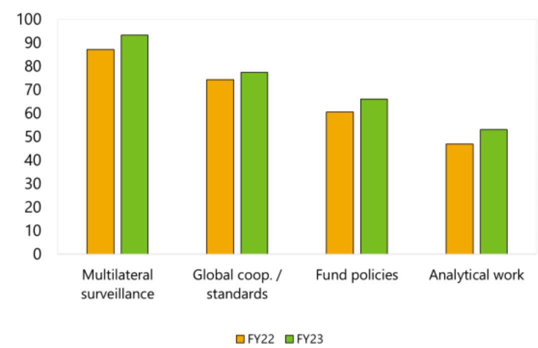


Sources: TRACES, TIMS, iBBIS, staff estimates.

10. Policy. Policy-related spending excluding travel increased by 4 percent, including work on the [IMF Strategy Toward Mainstreaming Gender], the [Review of the Implementation of the 2018 Framework for Enhanced Fund Engagement on Governance], and the [Review of Institutional Safeguards]. Staff also started working on the quinquennial CD Strategy Review, expected to be completed in 2025.

Figure 7. Multilateral Surveillance and Global Standards, Analytical and Policy Work

(Direct Cost excluding travel, millions of FY 23 U.S. dollars)



Sources: TRACES, TIMS, iBBIS, and staff estimates.

11. Analytical work. Spending excluding travel in this area rose by 8 percent compared to FY22. Work mainly focused on the impact of food and energy crisis, inflation, debt vulnerabilities, and on foundational work across the priority areas to support work toward a greener, digital, and more inclusive global economy.

12. Governance and finances. Spending excluding travel remained unchanged relative to FY22 and included the operationalization of the RST, establishment of the Food Shock Window, and ongoing work on the 16th General Review of Quotas, and mobilization of resources to increase the concessional lending capacity of the PRGT.

13. Corporate functions. Spending by support departments and on corporate activities excluding travel was broadly stable in FY23 as a share of spending, while rising slightly in dollar terms ($22 million or 6 percent over FY22). This reflects a higher utilization of budgets; a focus on stabilization of HR service delivery and ongoing work related to HR modernization; strengthening of the dispute resolution system; standup of the Office of Transformation Management; and HR, IT, and facilities-related augmentation implementation. It also supported ongoing implementation of the hybrid model and the METAC relocation.

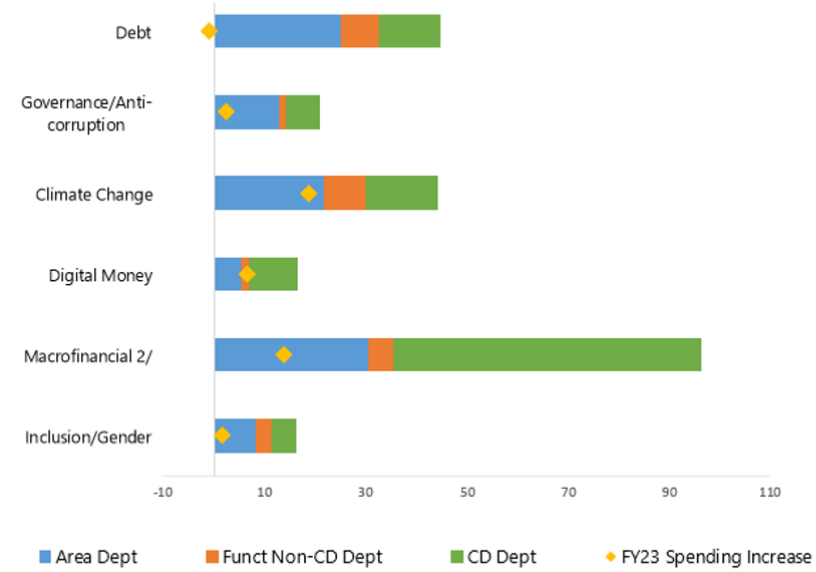
14. Center. Central spending ($19 million) covered overseas personnel-related expenses (including allowances for staff and experts assigned to overseas offices, settlement travel and installation of new Resident Representative posts), other travel-related costs, security, and other personnel-related spending. Receipts of $17 million mainly include Trust Fund Management Fees, Fund-sponsored sharing agreements, and publication sales.

A. Spending by Priority Topics

15. Priority topics. Incremental Fund-financed work on priority topics was supported by reprioritization and savings, along with augmentation resources (Figure 8). This section focuses on real overall Fund financed spending, including travel and internal departmental overheads, but excluding corporate overheads. Estimated externally financed spending on the priority topics highlighted in Figure 8 was about $30 million (about 15 percent of external spending).

Figure 8. Direct Fund-Financed Spending on Priority Topics, FY23[1]

(Millions of FY23 U.S. dollars)



Source: Dept. estimates. [1] Excludes Fund-wide overheads. [2] Includes broader financial sector work.

- **Debt.** Direct spending on debt-related work remained broadly stable at $45 million. Work in this area focused on member countries' debt sustainability, restructuring, and statistics as well as on debt transparency with an assessment of options for Fund initiatives in collaboration with partners, a new debt sustainability assessment (DSA) for market access countries, and policy guidance on debt management transparency practices. The rollout of the Sovereign Risk and Debt Sustainability Framework (SRDSF) continued, including natural-disaster and exhaustible-resource modules.

- **Governance/Corruption.** Direct spending in this area is estimated at $21 million in FY23, an increase of $2 million from FY22. Work concentrated on supporting Fund lending, the review of governance commitments in crisis spending, as well as the review of the 2018 framework for enhanced Fund's engagement on governance.

16. Augmentation-supported priority topics.

- **Climate change.** Real direct spending on climate change totaled an estimated $44 million in FY23, a $19 million increase from FY22. In line with the Fund's climate strategy, efforts focused on foundational work, including piloting in country engagements, policy guidance, development of tools and models, data subscriptions, climate-related indicators, climate macroeconomic assessment program pilots, and internal organizational changes to ensure evenhandedness and effective coordination with key partners.

- **Digital money.** Estimated spending totaled $16 million, an increase of $6.6 million in FY22. Consistent with the Fund's digital money strategy, staff focused on building foundational tools to strengthen member engagement, including analytic and legal frameworks for central bank digital currencies and assessing the impact on the international monetary system. How-to notes will help guide the Fund's approach and policy advice through targeted CD and surveillance pilots.

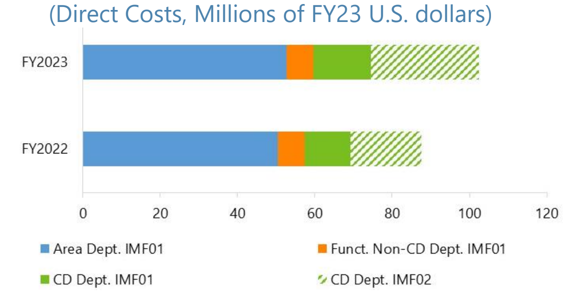
- **Macrofinancial surveillance.** FY23 direct spending on core financial work is estimated at $96 million, an increase of $14 million from FY22. Staff focused on monitoring rising financial vulnerabilities stemming from the pandemic, including in the corporate sector, and the immediate spillover effects from the war in Ukraine, as well as the associated advice on the policy response through its bilateral surveillance activities. Augmentation helped deepen the quality of macrofinancial analysis with onboarding and support to country teams and expand the toolkit for macrofinancial analysis and how-to notes to assist country teams.

- **Inclusion and Gender.** Spending in this area totaled $16 million, an increase of $2 million from FY22. Work mainly centered on country analysis—with a focus on the impact of the pandemic, gender, labor market and inequality, and social spending. In line with the Strategy Toward Mainstreaming Gender, spending focused on initiating toolkits and datasets for use by country teams, gender outreach missions, and building a strong network of external stakeholders to support analytical and operational efforts.

- **Fragile and Conflict-affected States** (FCS). Overall direct spending on the 37 FCS countries increased by $6 million to $93 million in FY23 ($103 million, including travel), driven by a growth in more complex surveillance cases and CD delivery. Direct CD spending, mostly externally financed, increased to $37 million from $30 million. Non-CD FCS spending increased to $56 million, 60 percent of which was associated with Fund lending. Consistent with the Fund's FCS Strategy, augmentation spending supported increased field presence, HQ-based

Figure 9. Direct Spending on Fragile and Conflict-Affected States, FY22-23

(Direct Costs, Millions of FY23 U.S. dollars)



Source: OBP. Note: internal and external funds, Direct Country Support only, includes travel.

integration of CD and surveillance by country teams and strengthened centralized policy function. Area Departments channeled more than half of the resources to fragile states—mostly in AFR, MCD, and EUR—in support of country operations, particularly engagement related to program work (Figure 9).

Box 4. FY23 Augmentation-Supported Work

FY23 marked the first year of implementation of the budget augmentation framework discussed in December 2021. About 70 percent of augmentation resources allocated in FY23 went to strengthen country support, including about 25 percent for CD delivery. Use of augmentation resources to support execution of priority strategies is progressing broadly as expected under the Framework. HRD continues to implement recruitment strategies to mitigate risks of delays in bringing in appropriate skillsets.

Climate Change

- **Country engagement**: The Fund stepped up support to members to address climate change, as presented to the Board in May 2023. 15 Article IVs covered in-depth climate change issues, of which 5 discussed mitigation policies for large emitters and 10 addressed adaptation and/or transition management. Six FSAPs included a climate component informing supervision and regulation. In addition, 5 RSF arrangements were approved by the Board. Technical assistance on fiscal tools (climate public investment management assessments, green PFM, climate macroeconomic assessment programs), financial sector (climate risk analysis, regulation and supervision of climate risks, green finance), environmental and climate statistics, complemented by training on the macroeconomics of climate change and PFM courses were successfully delivered to a range of member countries across all regions. This included 5 deliveries of external training courses on climate issues.

- **Other workstreams**: Staff developed and updated policy advice on mitigation, adaptation, and climate finance; analyzed emerging issues including energy prices, transition to a low-carbon economy, and the economic impact of climate change; and developed data and new toolkits to inform policy advice to member countries. The IMF also played a key role in international climate fora (including the G20, G7, COP) to coordinate efforts and leverage synergies.

Digital Money

- **Country engagement**: Implementation of the Fund's strategy on digital money also made progress in FY23. 4 Article IVs and 6 FSAPs covered digital money, fintech, and crypto-asset issues. CD on central bank digital currency (CBDC) included bilateral and regional technical assistance, covering wholesale and retail CBDC, domestic and cross border aspects. CD topics included review of policy motivation for CBDC, design choices (including potential use cases), and impacts on monetary policy and financial stability. Other CD included modernization of payment systems, expanding access to non-banks, strengthening oversight regimes and regulation of fintech including crypto assets. In addition, there were 9 deliveries of two new external training course on DM issues.

- **Other workstreams**: Policy and analytical work focused on policies for crypto assets, e.g., macro-financial impacts, the impact of crypto assets on capital flow management, implications of digital money and platforms, cross-border effects of CBDC, and digital money regulation and supervision. Collaboration with the World Bank, the BIS, FSB, and other international entities was a linchpin of Fund's work in this area.

Macrofinancial Surveillance

- **Country engagement**: Staff focused efforts on the integration of macrofinancial linkages, systemic risk analysis, and macroprudential policy advice in the Fund's bilateral surveillance. Staff assessed the

Box 4. FY23 Augmentation-Supported Work (concluded)

progress in 71 Article IV reports as part of the internal review and piloted follow-ups of FSAP findings and recommendations in six Article IVs. Staff offered in-reach seminars and internal training to disseminate and familiarize country teams with the revised Guidance Note and tools. External training was also revised to incorporate more regional customization.

- **Other workstreams**: Staff conducted analytical work to identify sources of risks to financial stability, inform policy advice, and develop tailored tools (e.g., growth-at-risk analysis, credit gap and credit cycle analysis, sovereign-bank nexus analysis).

Fragile and Conflict-Affected (FCS) States

- **Country engagement**: The implementation of Country Engagement Strategies (CES) is on track and CES findings are informing policy advice, tailored CD, and program engagement. In FY23, 6 CES were completed (South Sudan, Guinea-Bissau, Zimbabwe, Somalia, Yemen, Iraq) and published in Article IV and/or program review staff reports. The new Staff Guidance Note on the FCS Strategy implementation—published in March 2023—will support CES rollout. Fund's field presence was strengthened in FY23 with additional resources and staff in key countries, including long-term experts, resident representatives, and local economists.

- **Other workstreams**: Policy and analytical work focused on conflict and terms of trade shocks, the food crisis, refugees, climate, and FCS. Collaboration with external partners (World Bank, OECD, UNHCR, WFP) was also a key focus. Partner research on macro-critical drivers of fragility and/or conflict was featured in an FCS Seminar Series for staff. Drawing from experience across departments, ICD's Internal Economics Training program started the development of a new FCS learning curriculum.

Inclusion/Gender

- **Country engagement**: In July 2022, the Board approved the Fund's strategy on mainstreaming gender in core activities. In FY23, work on 2 Article IVs covered in-depth gender issues and 20 country documents covered gender more lightly while 44 Article IVs addressed inclusion. CD delivery included gender-responsive budgeting and legal rights. Internal and external training included a new external training course on gender, inequality, and macroeconomics.

- **Other workstreams**: Fund's flagship publications focused on social safety nets and distributional implications of inflation. Analytical and policy work addressed key aspects of gender and inclusion. Analytical toolkits were developed to strengthen Article IV coverage and the analysis of gender issues.

Corporate Departments

- Support departments and COM received about 16 percent of the overall resource allocation under augmentation in FY23. Key functions such as human resources, corporate services, information technology, and communications supported the recruitment of new skills and the safe deployment of personnel in field offices as part of the FCS strategy, as well as with outreach efforts.

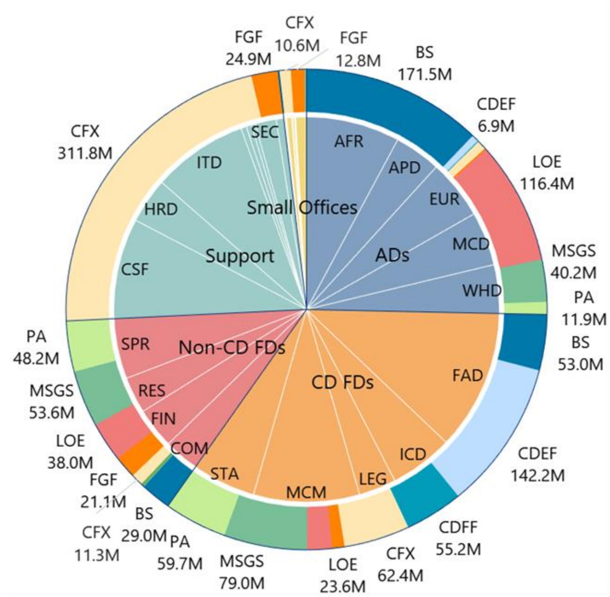
B. Spending by Department

17. Focus. (Figures 10-12). In a year of numerous challenges, direct support to member countries guided Fund's activity in FY23. Selected CD departments (FAD, ICD, LEG, MCM) saw an increase in CD spending, boosted by external resources, while area departments shifted focus on lending operations. Among corporate functions, the new Office of Transformation Management (TRM) notably grew to lead key, long-term transformational changes across the institution.

- **Area Departments** spending slightly increased compared to FY22 and to pre-pandemic execution rate (FY19), reflecting a mix of heightened support to member countries facing protracted policy challenges, an increase in the number and complexity of financing arrangements, and complex debt restructuring operations. Area departments were also at the forefront of the Fund's growing engagement with FCS and contributed to mainstreaming climate change issues in surveillance work.
- **Functional non-CD Departments** reported an increase in spending on policy and analytical work, the implementation of the RST, and ongoing work related to Fund's governance.
- **Functional CD Departments** saw an increase in spending in FY23, compared to both FY22 and FY19. Growth was concurrently driven by increasing demand for CD services, in particular on climate change and digital money, and stepped-up functional CD departments' support to area departments to further integrate the Fund's CD and surveillance mandate, particularly in support to FCS members. CD departments play a key role in both core traditional areas and implementation of priority strategies.
- **Support Departments.** Spending remained broadly stable as a share of total, with a slight increase compared to FY22, as noted in paragraph 13.
- **Other:**
  - **Small Offices.** Spending by small offices remained broadly stable.
  - **OED/IEO**. Spending by OED fell by about $2 million, due to high turnover. Spending by IEO was $1 million below last year, driven by recruitment delays, and limited travel.

Figure 10. Outputs by Department

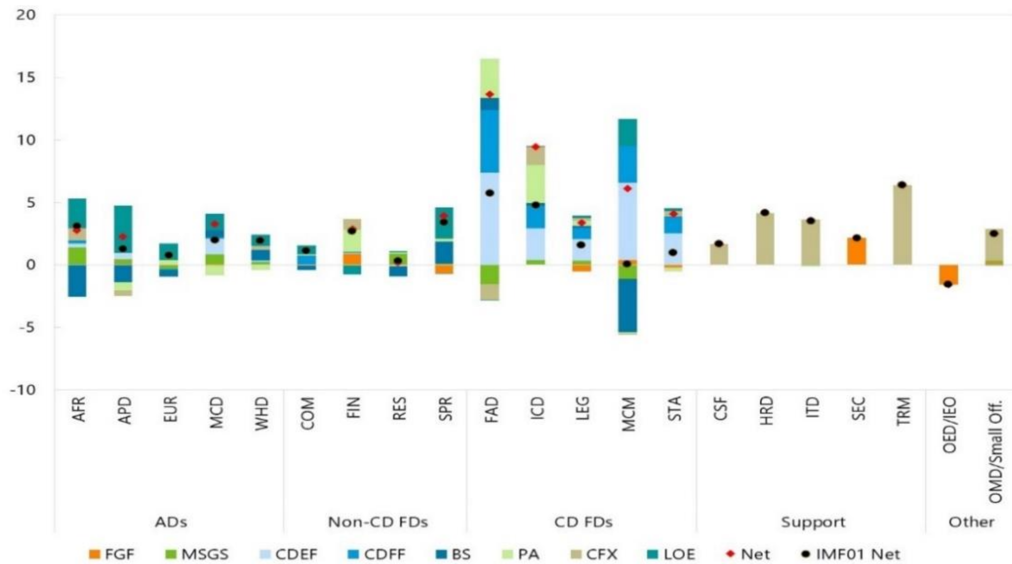
(Millions of FY23 U.S. Dollars)



Sources: TRACES, TIMS, iBBIS. Note: Includes externally financed sources. The breakdown in the aggregate is for all departments within each group. Excludes Center/Misc. MSGS: Multilateral Surveillance/Global Standards; BS: Bilateral Surveillance; LOE: Lending; PA: Policy/Analytics; FGF: Fund Gov/Finances.

Figure 11. Change in Outputs by Department, FY23 vs. FY22

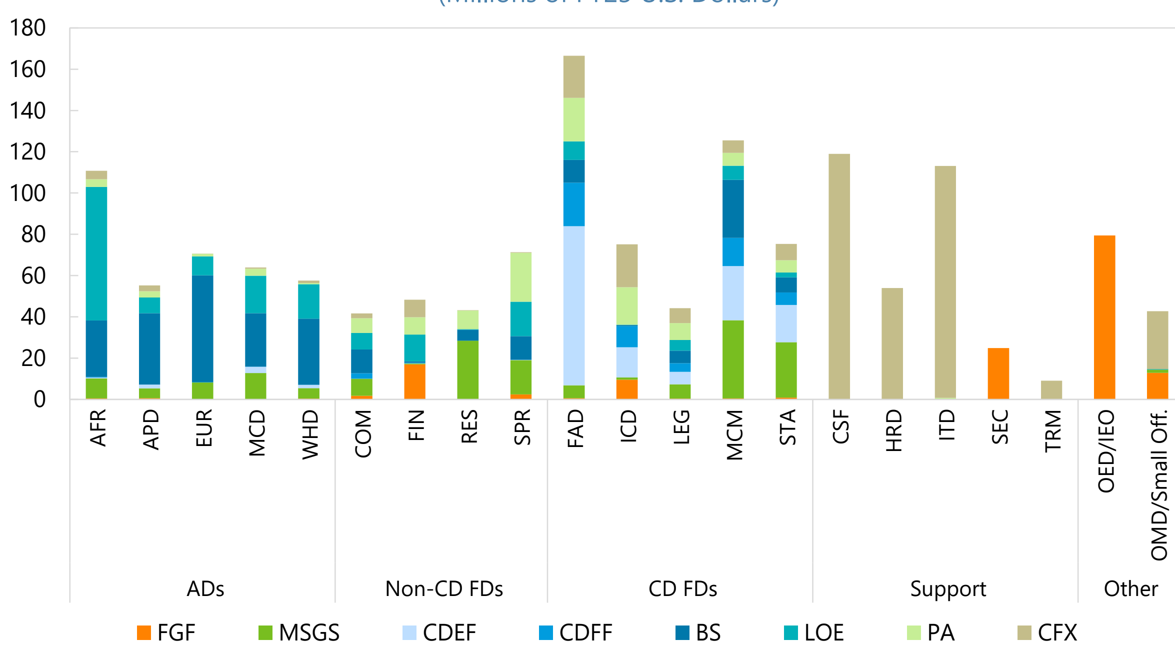
(Millions of FY23 U.S. Dollars)



Sources: TRACES, TIMS, iBBIS. Excludes travel, IMF Center, and Miscellaneous. CFX: Corporate functions; MSGS: Multilateral Surveillance/Global Standards; BS: Bilateral Surveillance; LOE: Lending; PA: Policy/Analytics; FGF: Fund Governance/Finances.

Figure 12. FY23 Spending by Department

(Millions of FY23 U.S. Dollars)



Sources: TRACES, TIMS, iBBIS. Excludes IMF Center, and Miscellaneous. CFX: Corporate functions; MSGS: Multilateral Surveillance/Global Standards; BS: Bilateral Surveillance; LOE: Lending; PA: Policy/Analytics; FGF: Fund Governance/ Finances.

SECTION III. SPENDING BY INPUTS

A. Spending by Major Budget Categories

18. Overview. Personnel spending represented about 78 percent of gross administrative spending, a slight decline from FY22, but broadly in line with historical averages. Travel spending rose with the return to in-person engagement following the pandemic and with a sharp increase in related prices. Spending on building and IT, including the transition to a hybrid work model, stabilized in FY23 (Table 2).

Table 2. Administrative Budget and Expenditures, FY22-23

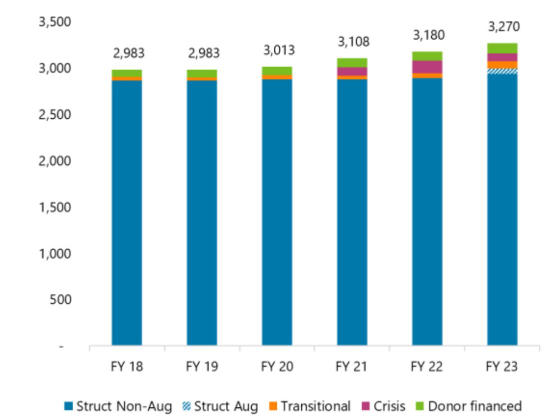
(Millions of FY23 U.S. dollars, unless otherwise noted)

	FY22							FY23						
	Budget			Outturn			Utilization (percent)	Budget			Outturn			Utilization (percent)
	Fund-financed	Donor-financed	Total	Fund-financed	Donor-finan. 1/	Total	Total	Fund-financed	Donor-financed	Total	Fund-financed	Donor-financed	Total	Total
Gross expenditures	**1,309**	**220**	**1,530**	**1,263**	**148**	**1,411**	**92**	**1,333**	**230**	**1,562**	**1,327**	**195**	**1,522**	**97**
Personnel	983	143	1,126	1,029	130	1,159	103	1,015	150	1,165	1,041	141	1,182	101
Travel	85	56	140	25	2	27	20	80	42	122	66	38	104	85
Buildings and other expenses	229	22	250	209	16	225	90	223	38	260	219	17	236	91
Contingency 2/	13	0	13	0	0	0	-	15	0	15	0	0	0	-
Receipts	-37	-220	-258	-27	-148	-174	68	-38	-230	-268	-33	-195	-229	85
Net expenditures	**1,272**	**0**	**1,272**	**1,237**	**0**	**1,236**	**97**	**1,295**	**0**	**1,295**	**1,294**	**0**	**1,293**	**100**
Memorandum items:														
General Net Admin Budget 2/	1,184		1,184	1,163		1,163	98	1,207		1,207	1,216		1,216	101
Carryforward	102		102				-	93		93				
General carryforward	88		88					79		79				
Other transitional transfers 3/	8		8				-	9		9				
Total net available resources	1,382		1,382	1,237		1,236	89	1,396		1,396	1,294		1,293	94

Source: OBP, FIN. [1] Based on donor receipts. [2] General, OED, IEO contingencies. [3] OED/IEO underspend above carryforward limits.

19. Personnel. (Figures 13-14). Total personnel (staff and contractual) spending of $1,182 million represented 103 percent of the structural budget, supported by temporary carryforward resources. Total staff positions rose by 90—a decline in crisis-related staff positions allocated in FY22 from 135 to 88 were more than offset by 137 new positions, mainly to support strategic priority areas through augmentation resources. The year-end Fund-wide vacancy rate (based on both structural and temporary positions) fell to about 0.5 percent (14 vacancies) compared to 0.9 percent (27 vacancies) in FY22.

Figure 13. Allocated Staff FTEs, FY18-23



Source: Dept and OBP estimates. Excludes expert and contractual positions.

20. Deflator and Personnel Dynamics. The FY23 budget deflator (4.8 percent), was set based on projected inflation in January 2022, consistent with the methodology agreed in FY21. Actual average FY23 inflation was 7.5 percent. A modification in the methodology for calculating US-CPI based deflator was agreed in the context of the FY24-26 Medium-term budget to rely on actual inflation in the previous calendar year, given the impact of uncertainty on projections in a period of significant price movements.

Figure 14. Trends in Personnel Spending

Total staff increased in FY23 reflecting continued strong recruitment, including in priority areas.

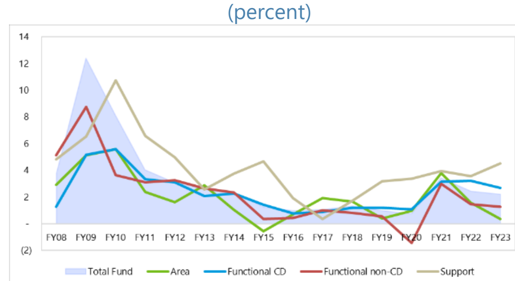
FTE Utilization, FY21-23[1]

	FY21	FY22	FY23	Difference FY22-23
Total	3,744	4,174	4,377	203
Fund-financed	3,489	3,710	3,875	166
Regular and term	2,928	2,984	3,062	79
Expert and contractual	561	726	813	87
Externally financed	255	465	502	38
Regular and term	94	114	126	12
Expert and contractual	162	350	376	26

1/ Includes experts, contractuals, visiting scholars, secretarial support, and other. Excludes local employees in the field.

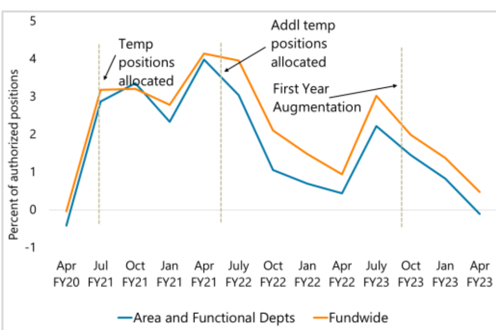
Average Fund-wide vacancies as a share of budgeted FTEs declined to 2.2 percent from 2.5 percent in FY22. This decline was broad-based, except for support department

FTE Vacancies by Department Type, FY08-23
(percent)



Fund-wide vacancies at end-FY23 as a share of budgeted positions declined to 0.5 percent from 0.9 percent at end-FY22. Vacancy rates among economics departments turned slightly negative, similar to pre-pandemic levels.

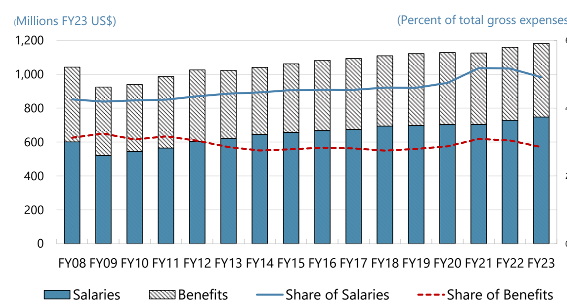
Vacancy Rates, FY20-23[1]
(In percent of approved positions)



Source: OBP, PeopleSoft. [1] Excludes OED, IEO.

While total personnel spending increased by about 2 percent, it declined slightly in share terms, explained by a close to 8 percent increase in gross spending driven by a pickup in travel.

Personnel Expenditures, FY08-23[1]



[1] Include both Fund and externally financed.

21. Price pressures. Non-personnel costs were affected by significant price pressures, including average airfares close to 30 percent higher than pre-pandemic levels; a 6-8 percent increase in contract renewals for IT services and creative solutions; an 8-12 percent increase in commercial data and library subscriptions in recent years; and a 12 percent increase in food costs.

22. Travel. A quarter of baseline Fund-financed travel-related resources were repurposed centrally to meet FY23 temporary needs (relative to 50 percent in FY22). Travel execution continued to recover, reflecting both volume and airfare cost. Overall, business travel spending rose above the 75 percent allocated level to $46 million but remained below pre-crisis levels. Settlement and evacuation travel declined by 18 percent year-on-year, albeit with continued need for evacuations from Afghanistan and Ukraine. The number of in-person missions rose to 4,528 in FY23 (Table 3), with a marked increase for functional CD departments.

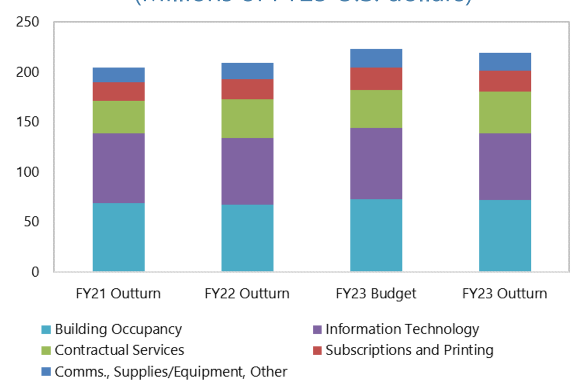
Table 3. Travel FY20-23
(Number of in-person missions)[1/]

	FY20	FY21	FY22	FY23
By Region	**6,734**	**16**	**440**	**4,528**
AFR	1,847	0	103	1,270
APD	1,253	9	48	854
EUR	1,419	2	120	886
MCD	635	1	34	517
WHD	1,580	4	135	1,001
By Department Type	**6,734**	**16**	**440**	**4,528**
Area	1,126	13	191	895
CD Functional	4,542	0	134	2,863
Non-CD Functional	669	3	64	446
Support and Governance	397	0	51	324
By Funding Source	**6,734**	**16**	**440**	**4,528**
Fund Financed	3,313	10	371	2,522
Externally Financed	3,421	6	69	2,006

Source: TIMS. [1] Fund and externally financed travel.

23. Buildings, IT, and other services. Utilization increased from 91 percent in FY22 to 98 percent, slightly below pre-pandemic levels. Underspend is driven by lower-than-budgeted IT expenditures, reduced printing needs, and an overperformance of cost recovery and chargebacks (Figure 15). This underspend was partly offset by higher-than-budgeted contract-based services, the first in-person Annual/Spring Meetings in three years, including the combination of in-person and hybrid meetings. Other increases derived from higher building occupancy, in both headquarters and field offices, contractual services, subscriptions, and representation.

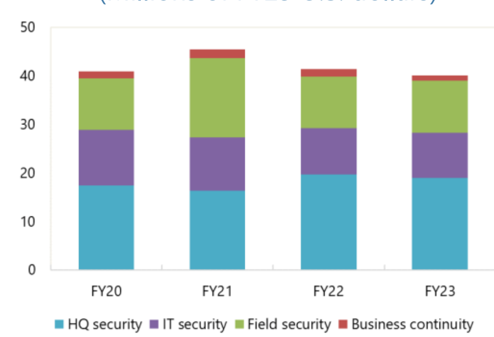
Figure 15. Buildings, IT, and Other Services, FY20-23
(Millions of FY23 U.S. dollars)



Source: OBP.

24. Security-related spending. Fund-wide security spending decreased in real terms by about $2 million to $39 million, relative to FY22 and $1.6 million below pre-pandemic levels (Figure 16). HQ security remains above historical levels largely due to Covid-19 health and safety protocols, such as testing. IT security spending remained stable. Field security spending remains unchanged as well compared to FY22 and reflects a return to historical levels, after a short uptick driven by evacuations during the pandemic. Business Continuity saw a marginal decrease versus FY22 reflecting some staffing reorganization, as well as a considerable reduction in crisis spending compared to the peak of the pandemic.

Figure 16. Security Related Spending, FY20-23
(Millions of FY23 U.S. dollars)



Source: Departmental submissions.

25. Receipts. (Table 4). FY23 receipts reached $229 million, about 15 percent below budget and a 37 percent nominal increase relative to FY22 outturn. Underspend mainly reflects lower-than-budgeted externally financed CD receipts ($195 million versus $230 million), but with the outturn above the April 2022 projection of $180 million. Higher-than-projected outturn also resulted in trust fund management fees about $1 million above projection. Concordia revenues increased by $2 million compared to FY22, reflecting higher occupancy rates. Parking receipts were $2 million higher than FY22, still about $1 million lower than the pre-pandemic period, given the hybrid work model.

Table 4. Receipts, FY19-23

(Millions of U.S dollars)

	FY19	FY20	FY21	FY22		FY23	
		Budget		Budget	Outturn	Budget	Outturn
Total	**236**	**239**	**243**	**246**	**166**	**268**	**229**
Externally financed CD (direct cost)	196	200	206	210	141	230	195
General receipts	40	39	37	36	25	38	33
Of which:							
Admin and trust fund management fees [1/]	14	14	14	15	10	13	14
Concordia	4	4	4	4	2	4	4
Fund-sponsored sharing agreements [2/]	4	4	4	4	3	4	3
Parking	3	3	3	3	0	4	2
HQ2 lease [3/]	0	1	1	1	1	1	1
Corporate, Travel, P-cards rebates/bonuses	0	0	0	0	0	0	0
Publications income	3	3	3	3	0	1	0

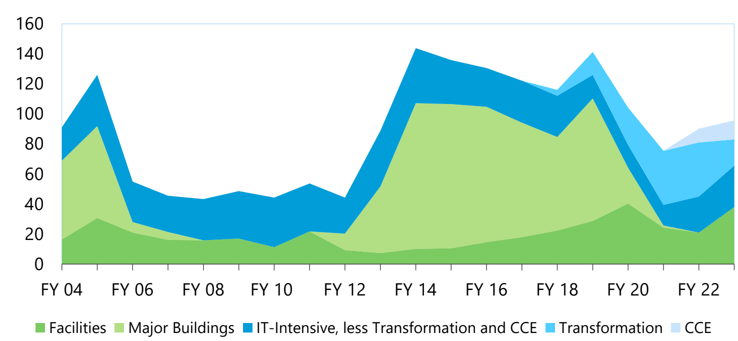
Source: OBP. [1] Trust fund management fee of 7 percent. [2] Primarily World Bank. [3] Lease agreement with the World Bank expired. FY20 includes Credit Union and retail tenants.

SECTION IV. CAPITAL SPENDING

26. Overview (Figure 17). A total of $166 million in capital funds that were appropriated between FY21-23 were available in FY23, split between facilities ($88 million) and IT-intensive capital funding ($78 million), with the latter including the Cloud Capital Equivalent ($15 million, Table 5). FY23 spending totaled $96 million with approximately $38 million in facilities and $58 million in IT-intensive capital spending, including $45 million in direct spending and $13 million in cloud-related licenses. About $45 million in remaining funds will carry over to FY24.

Figure 17. Capital Spending, FY04-23

(Millions of U.S. dollars)



Sources: ITD, CSF, TRM, OBP.

27. Facilities capital. FY23 spending ($38 million) increased by about $16 million (73 percent) compared to FY22 reflecting a post-pandemic resumption, with a 52 percent utilization of available funds (vs. 26 percent in FY22). Facilities capital investments focused on improving physical space to support the hybrid work model and staff growth, and on environmental sustainability improvements to green the Fund. The total comprised lifecycle replacements of $26 million, new investments of $11 million, and $1 million on contingencies and project planning.

- **Lifecycle replacements** ($26 million). The largest delivered projects were the HQ1 furniture refresh ($6 million), and audio-visual equipment upgrades ($4 million) to improve the hybrid meetings experience and production quality of the Fund's broadcast products. Other large lifecycle replacement projects included the HQ1 chiller plant modernization ($3 million) and renovations to HQ1 restrooms ($2 million), where systems and facilities were updated with more energy-efficient equipment and made more accessible in keeping with the Fund's diversity and inclusion goals.

Table 5. Capital Expenditures, FY22–24[1]

(Millions of U.S. dollars)

	FY22 Spending	Approved in FY23	Total Funds Available in FY23	FY23 Outturn	FY23 Utilization (%)	Carry Over into FY24
Total	**90**	**78**	**166**	**96**	**58**	**45**
Facilities	**21**	**19**	**88**	**38**	**43**	**27**
Building 2/	22	19	73	38	52	27
HQ1 Renewal 2/	-1	0	16	0	0	0
IT-Intensive	**69**	**59**	**78**	**58**	**74**	**18**
Capital Investments	60	44	63	45	71	18
Cloud Capital Equivalent	9	15	15	13	85	0

Sources: ITD, CSF, TRM, OBP. [1] Approved funds available for 3 yrs. [2] Carry over into FY24 accounts for lapsed funds.

- **New Investments** ($11 million). Most of the spending on new investments related to workplace redesign ($7 million), piloting of collaboration zones (about $2 million), and acoustic treatment in conference rooms and event spaces ($2 million). Workplace redesign investments aim to ensure that the Fund's space utilization practices remain fit for purpose in the context of a larger, hybrid-model workforce. New space typologies have been constructed to pilot alternative work modality options while repurposing underutilized support spaces into offices to help alleviate near-term departmental growth pressures. Sensor technology has been integrated during this process to collect space utilization data and inform long-term space decisions. This initiative is expected to continue in FY24 and FY25.

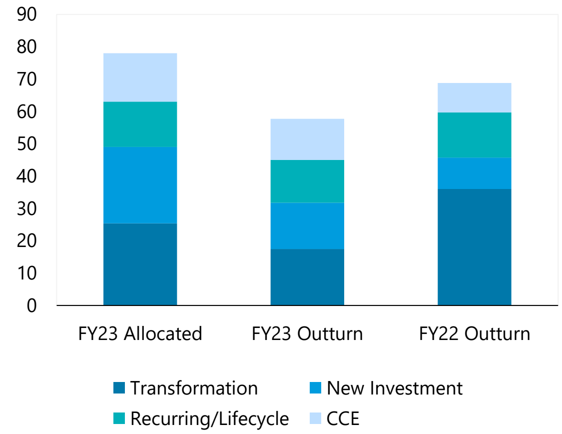
- Approximately $8 million in funding expired under the three-year appropriation rules, largely for the generator (about $3 million) and furniture ($2 million) projects affected by supply chain disruptions and other pandemic-related challenges. Remaining HQ1 Renewal funds following the closure of the project (about $16 million) have been returned.

- **IT-Intensive Capital Expenditures** (Figure 18)**.** Spending ($58 million) was $11 million lower (16 percent) relative to FY22, with utilization of 74 percent of available resources (78 percent in FY22). The year-over-year decrease in direct capital spending reflects a focus on stabilization and completion of ongoing modernization projects, which made up 39 percent ($17 million including $3 million for pre-requisite projects) of total FY23 spending. Infrastructure end-of-life and other new investment projects saw total expenditures of $28 million. Cloud license expenses continued to rise in FY23, reflecting the shift of several on-premises applications to cloud-based solutions. Additional financial information on the overall portfolio is included in the July Modernization Update paper.

- **Key modernization projects** (Table 6)**.** About 39 percent ($17 million) of IT-intensive capital spending supported the implementation of key modernization projects.

Figure 18. IT-Intensive Capital, FY23

(Millions of FY23 U.S. dollars)



Sources: ITD, TRM, OBP.

Table 6. IT Intensive Capital Spending by Category, FY23

(Millions of FY23 U.S. dollars)

	Total Approved	Total Spent in Previous Years (through FY23)	FY 23 Outturn
Total IT-Intensive Capital Spending	**211**	**138**	**45**
Key Modernization Projects (and pre-reqs)	**106**	**72**	**17**
Nexus (New DM)	26	20	5
iDATA	32	17	7
HR Modernization			
1HR Closeout			1
SRP CCBR and VSP Reforms	1	1	1
SRP CCBR Rehire Reform	2	0	0
IDW-Related Modules 1/			
DWR	9	1	0
Intranet	1	1	1
Pre-requisite/foundational projects	16	14	3
New Investments	**65**	**32**	**14**
Infrastructure end-of-life	**40**	**35**	**13**

Sources: ITD, TRM, OBP. [1] $4.7M for initial, high-level vision, scoping, and design work of the original IDW project not included. Figures may not add to totals due to rounding.

- **HR Modernization** 2.0 ($1 million in FY23). The formal 1HR program, which aimed to replace the Fund's Human Capital Management System, is finalizing close-out activities with work underway under a reset HR modernization program to take forward key underlying objectives. A programmatic framework is being designed to implement the remaining scope of HR modernization efforts. In FY23, SRP-CCBR reforms were implemented ahead of the May 1, 2023 effective date, with the related project closing out in the summer. Two other projects (one related to special cases under CCBR reforms and one for Dual Systems Integration) have been approved for implementation. Additional projects will seek to optimize business policies and processes and move to a steady state Digital HR platform.

- **iData** ($7 million in FY23). The project, focused on mitigating operational risks and modernizing foundational platforms in the Fund's aging economic data management and dissemination platforms, is expected to complete development in FY24 and close its activities in FY25. In FY23, work focused on developing the functionality needed to produce the Consumer Price Index (CPI) and WEO datasets and the new unified data portal interface. The project budget was increased by $8 million to address higher-than-expected Managed Service Provider and software license costs. Post implementation recurring cost estimates have increased to $1.3 million per year versus $0.9 million in net savings originally projected.

- **Nexus** ($5 million in FY23). The project, which aims to replace the Fund's document management system delivered two small releases in November 2021 and August 2022. The project budget was increased during FY23 by about $1 million to account for delays in the third and final release related to critical security issues and vendor-related data migration quality issues. The latter issue remains pending with timing of final deployment continuing under review and measures being taken to mitigate the related cost impact on the project.

- **iDW-related projects** ($1 million in FY23).

  - The **Document Workflow and Review** project will introduce a common review system that aims to enhance the transparency and documentation of the review process. During FY23, the project completed scoping and planning, with implementation commencing in Q1 FY24.

  - Scoping and planning work related to replacement of the Fund's **Intranet** platform is progressing with a proposal for implementation expected in Q2 FY24.

- **Pre-requisite/Foundational projects** ($3 million in FY23). Two modernization prerequisite projects will be wound down in FY24:

  - The **Corporate Data Warehouse** project completed the rollout of reports related to HR production systems. The project is expected to close in FY24 after completion of work relating to the Travel, Workday, and Clarity systems.

  - The **Identity and Access Management** project is in the process of migrating internal systems access entities into the new platform, which is expected to be completed in FY24. The team is evaluating alternative approaches to separately address the remaining scope (i.e., the migration of external access entities) given project delays and the need to perform a technical upgrade to the platform in the interim.

- **Other IT investments and Lifecycle replacements.** Other new investment spending amounted to $14 million ($10 million in FY22). A large share ($6 million) related to upgrading the Core Banking system (iFin), Oracle Upgrade, and the Proactive Crown Jewels (CJ) Protection. Spending on lifecycle replacements reached $13 million, the largest share of which supported PC refresh and network infrastructure upgrades ($11 million).

- **Cloud Capital Equivalent (CCE)**. Cloud license spending in FY23 totaled $13 million, versus $15 million budgeted.

Annex I. Technical Annex—Concept and Methodologies

***Financial Year* (t)**: **May 1(t-1) to April 30(t)**

E.g., FY22 = May 1, 2022 to April 30, 2023

Administrative Budget

Gross (total spending envelope)

- (minus)

Receipts (donor funding + revenue)

= (equals)

Net (spending that needs funding)

Total Available Resources = Net + Carryforward

1. Carryforward. The right to spend budget allocations beyond the period for which budgetary authority is normally granted (12 months). Carryforward (CF) limits are set for the IEO, OED, and at the general level for other administrative expenses.

- The general CF limit has varied over time, rising to 6 percent following the GFC and reverting to 3 percent in FY12. The Board approved an increase in the general CF limit from 3 to 5 percent in 2020, then to 8 percent in 2021 which reduced to 7 percent in FY23 and 6 percent in FY24. The temporary, exceptional levels supported ramp-up in work to address pandemic-related needs.

- IEO's CF limit increased from 5 to 8 percent in FY21, dropped to 5 percent in FY23 and increased to 8 percent in FY24.

- OED CF limit for each office is set at a maximum of 20 percent of the approved budget or the dollar equivalent of two Advisor FTE positions. The OED central carryforward was discontinued effective FY21 in line with the streamlining of OED central budget accounts.

The CF is the minimum of the underspend in the current year or CF limit of the current year's approved net administrative budget. Specifically:

$$\mathbf{CF_t = min\ (U_t,\ \boldsymbol{x}\ B_t)}$$

Where:

U_t = underspend in current FY ($B_t + CF_{t-1} – E_t$)

B_t = net administrative budget in current FY

CF_{t-1} = carryforward from previous FY

E_t = net expenditures in current FY

x = ratio limit of CF

2. Fund deflator. Starting in FY21, the Fund deflator was based on expected U.S. CPI data underlying the published January WEO update. In the context of the FY24-26 Medium-term Budget, the Board approved a change in this methodology from FY24 onwards, to use actual average US CPI in the calendar year preceding the budget and with a one-time transitional adjustment to address the shift from a forward- to a backward-looking Fund deflator.

3. Capital budget. Used to finance IT-intensive capital investments and building improvements and repairs. Given the long-term nature of these projects, capital budgets are available for a period of three years, after which time unspent appropriations lapse. Projects in the capital budget cover acquisition of building or IT equipment; construction, major renovation, or repairs; major IT software development or infrastructure projects.

4. Cloud Capital Equivalent (CCE). A sub-category within the capital budget for cloud subscription costs, as per the budgetary treatment approved by the Board in April 2021. The CCE was introduced in response to the Fund's migration from a "purchase/build and maintain" software model to a model based on cloud-hosted platforms with subscription costs, which would have, all else equal, reduced capital spending and increased administrative spending.

5. Budget process. The starting point for the annual budget exercise is the priorities as expressed in the Managing Director's Global Policy Agenda, the IMFC Communiqué, and the Board Work Program, recognizing the importance of financial sustainability and the linkage to Fund income. The budget translates these priorities into reallocations across departments and outputs. The Board also reviews the income and expenditure position, staff compensation, and the capital budget. The Committee on Capacity Building (CCB) and a Board briefing on CD priorities enable strong links between CD and the budget process.

Annex II. Capacity Development[1]

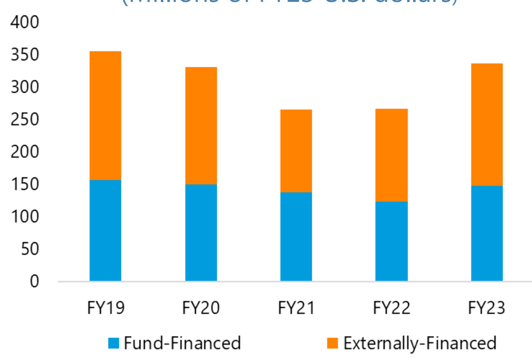
1. This annex provides additional information on CD activities. It reports on CD spending, CD delivery distribution, and external financing for CD.

A. Spending on CD Activities

2. Overview. CD spending recovered to near pre-pandemic levels. With travel ramping up, total departmental spending (including departmental overheads and travel but excluding Fund-wide overheads) increased to $337 million—a 31 percent increase from FY22—including $148 million in Fund-financed spending and $189 million externally financed spending (Figure 1). CD now accounts for almost a third of country operations. Total activity in FTE terms surpassed pre-pandemic levels (Figure 2). A rebound in externally financed spending was the main driver which grew 37 percent in real terms, while Fund-financed spending grew by around 23 percent. The outturn was, however, still below initial plans due to lower than expected travel in the early part of the year.

Figure 1. Departmental CD Spending FY19-23[1]

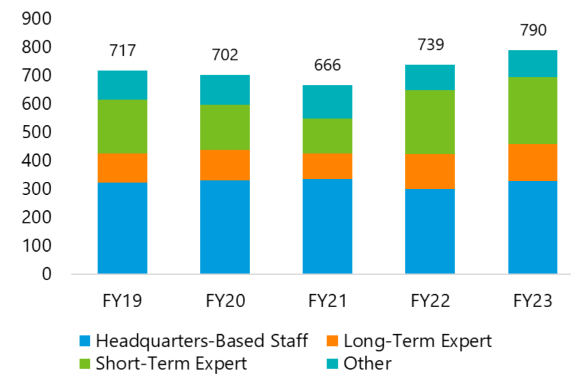
(Millions of FY23 U.S. dollars)



Sources: OBP. [1] Includes departmental overheads and travel.

Figure 2. CD Activity, FY19-23

(In full-time equivalent)



Source: TRACES.

B. CD Distribution

3. Distribution by region and modality. Single-country technical assistance was close to 77 percent of direct delivery spending (excluding departmental overheads): (Table 1). The composition of CD by region remained broadly stable. As in previous years, AFR countries and public finance topics dominated delivery (Table 2 and Figure 3). The remaining spending covered delivery of training (excluding course development), mainly in a multi-country context.

Table 1. CD Delivery by Modality, FY23

(Share of direct spending, in percent)[1]

CD Modality	
Field-based work	52.0
Duty station-based Work	21.2
Interactive learning and workshops	20.7
Resident advisor	4.1
Peer-to-peer engagement	1.6
Online learning	0.3
Total	**100.0**

Source: CDMAP. [1] Including travel. Excluding departmental and Fund-wide overhead.

[1] Prepared by an ICD team, led by Matt Davies, and OBP.

Table 2. CD Delivery by Core Workstreams, FY23[1]

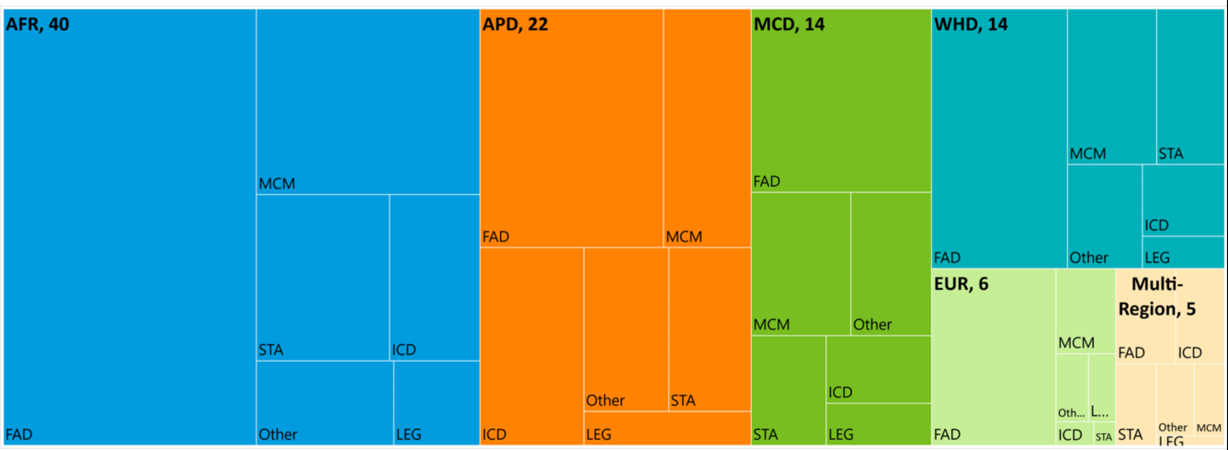
(Share of total delivery spending, in percent)

Workstream Group	Single Country	Multi-country	Total
Public finances	**44.4**	**6.6**	**51.0**
Domestic Revenue Mobilization	24.8	3.9	28.6
Macro-Fiscal Policies	1.9	0.5	2.4
Public Financial Management and Expenditure Policy	17.8	2.2	20.0
Monetary and financial systems	**15.2**	**4.6**	**19.8**
Central Bank Operations and Market Development	6.2	1.8	8.1
Financial Sector Stability	8.9	2.8	11.7
Macroeconomic Frameworks	**5.1**	**7.1**	**12.3**
Macroeconomic Statistics	**8.0**	**3.8**	**11.7**
Legal frameworks	**3.5**	**0.9**	**4.4**
Financial Integrity and Financial/Fiscal Law Reform	3.5	0.9	4.4
Other	**0.1**	**0.8**	**0.8**

Source: CDMAP. [1] Excludes departmental overheads. Includes travel.

Figure 3. CD Delivery by Region and CD Department, FY23

(Share of total delivery spending, in percent)



Source: CDMAP. Excludes departmental overheads. Includes travel.

- **Training activities and workshops.** Interactive synchronous learning and workshops, self-paced online learning, and peer-to-peer engagements represented around 23 percent of total CD Delivery. ICD is the largest provider for training in terms of spending, followed by FAD. AFR region has the highest share of participants, followed by WHD and APD (Figure 5). The lion's share of participants came from emerging

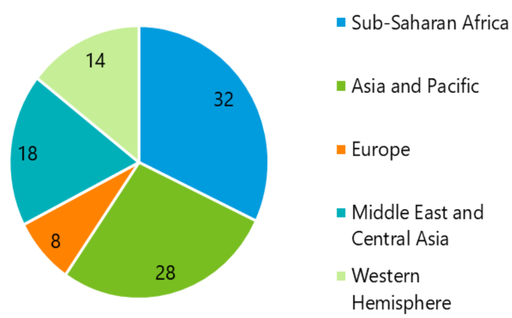
Table 3. Training Participation by Mode, FY19–23

	FY19	FY20	FY21	FY22	FY23
			(number of participants)		
Total	**16,988**	**17,724**	**14,666**	**24,134**	**19,937**
Asynchronous[1]	4,413	7,930	5,069	9,440	9,167
Synchronous[2]	12,575	9,794	9,597	14,694	10,770
			(in percent of total participants)		
Asynchronous[1]	26	45	35	39	46
Synchronous[2]	74	55	65	61	54

Source: PATS, staff estimates. Note: Official participants only. FY23 data preliminary. [1] Asynchronous: Pre-recorded and self-paced. [2] Synchronous: Real-time, in-person or virtual.

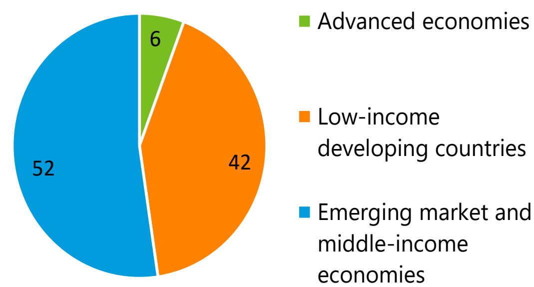
and middle-income economies (Figure 6); the share of FCS participants was about 16 percent. Over 60 percent of training (excluding online learning) is delivered through RTCs and RTACs. The self-paced asynchronous online learning has grown rapidly since the pandemic (Table 3). In FY23, this accounted for 46 percent of training. Since its launch, the program has reached around 160,000 participants from the public.

Figure 4. Training Participants by Region, FY23
(Share of total, in percent)



Source: PATS and staff estimates.

Figure 5. Training Participants by Income Groups, FY23
(Share of total, in percent)



Source: PATS and staff estimates.

C. Source of External Financing

4. Overview. External partners have continued their substantial financial support of IMF CD, allowing for scaling up CD in a flat budget environment (Table 4). After dropping in FY20, fundraising has broadly recovered, even as contributions during FY21-23 were slightly lower than during FY20-22. Liquidity balances remain comfortable in most CD vehicles given the Fund's multiyear upfront funding model. The main sources of support remained broadly consistent with previous years. The upcoming CD strategy review will examine the risks associated with competing demands for donor resources.

- Total partner contributions over the FY21-23 period were down slightly relative to FY20-22 ($516 million against $571 million), reflecting oscillations in vehicle phases and programming of partner disbursements. Fundraising was strong, yielding large amounts in new signed agreements, firm commitments, and pledges from established and emerging partners—reflecting a deepening and diversification of CD partnerships.

- External support is channeled through multi-partner vehicles—regional technical assistance centers, thematic and country funds—and bilateral programs. In addition, a few partner countries host regional training centers where Fund staff provide training (Table 5). The share of recipient members' contributions to Regional CD Centers (RCDC) has been steady at close to 30 percent, reflecting strong ownership.

- The IMF's COVID-19 Crisis Capacity Development Initiative (CCCDI) has supported countries as they steered their economies through the crisis and to prepare for an inclusive recovery. Contributions from partners reached close to $40 million. The focus is now on wrapping up short-term activities and integrating longer-term projects into existing CD funding vehicles, including those delivering on transformational areas and FCS.

5. Outlook. Significant resources will be required to finance new phases of existing vehicles over the coming two years, as well as new CD envisaged in the Fund's transformation areas. Ten RCDCs, the Ukraine Fund, the Financial Sector Stability Fund (FSSF), the Data for Decisions Fund (D4D) and a large new Public Finances initiative are in, or will enter soon, a fundraising period.

Table 4. Partner Contributions, FY21-23

Donor	**Contributions** (Mil. of U.S. dollars)	**Share** (Percent of total)
Japan	123	24
European Commission	61	12
Switzerland	48	9
Germany	37	7
France	24	5
Kuwait	23	4
Kazakhstan	20	4
Netherlands	17	3
China	16	3
Norway	14	3
Korea	13	3
Austria	13	3
United Kingdom	10	2
Singapore	8	2
Mauritius	8	1
Luxembourg	7	1
Canada	6	1
Belgium	6	1
Australia	5	1
United States	5	1
Mexico	4	1
Sweden	4	1
Saudi Arabia	3	1
Gabon	2	0
Sri Lanka	2	0
Other donors and institutions	36	7
of which: private foundations	2	0
Total	**516**	**100**

Source: CDIMS. Note: Including regional training center costs covered directly by hosts.

Table 5. Contributions, Top 10 Partners FY21-23

	Contribution (In mil of US dollars)	**Share** (Percent)
Multi-partner	**232**	**60**
Thematic & Country Funds	95	41
Regional Technical Assistance Centers	111	48
Regional Training Centers	26	11
Bilateral	**152**	**40**
Total	**384**	**100**

Source: CDIMS. Note: Including regional training center costs covered directly by host countries (which are not included in IMF accounts).

Annex III. Statistical Tables

Table 1. Administrative Budget, FY19–24[1/]
(Millions of U.S. dollars)

	FY19		FY20		FY21		FY22		FY23		FY24
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget
Personnel	1,009	995	1,025	1,028	1,055	1,049	1,074	1,106	1,165	1,182	1,278
Travel	135	126	134	97	133	16	134	26	122	104	147
Buildings and other expenditures	215	224	224	225	230	203	239	214	260	236	265
Contingency	12	0	15	0	11	0	12	0	15	0	17
Total Gross Expenditures	**1,371**	**1,346**	**1,397**	**1,350**	**1,429**	**1,268**	**1,460**	**1,346**	**1,562**	**1,522**	**1,706**
Less: Receipts	236	214	239	199	243	142	246	166	268	229	295
Total Net Expenditures	**1,135**	**1,131**	**1,158**	**1,150**	**1,186**	**1,126**	**1,214**	**1,180**	**1,295**	**1,293**	**1,411**

Source: OBP, PeopleSoft Financials. [1] Includes travel. Budget includes Fund- and donor-financed structural resources. Outturn includes structural and temporary resources.

Table 2. Gross Administrative Expenditures: Personnel, FY19-24[1, 2]

(Millions of U.S. dollars, unless otherwise noted)

Expenditure category	FY19	FY20	FY21	FY22	FY23	FY24 Budget
Personnel expenses	995	1,028	1,049	1,106	1,182	1,278
Salaries	619	641	657	696	748	818
Benefits	371	383	391	409	430	456
Retirement benefits 3/	168	178	180	186	185	191
Health benefits	47	49	51	54	63	67
Tax allowances	41	41	41	41	44	46
Home leave/Expatriate allowances	31	31	41	43	44	41
Children's education allowances	32	32	34	36	39	41
Childcare allowances	-	-	5	6	7	8
Overseas allowances	21	22	15	18	23	30
Training and study allowances	11	10	9	10	10	11
Spouse and child allowances	7	7	7	6	6	7
Other benefits 4/	13	14	9	8	9	14
Other misc. personnel expenditures 5/	5	5	1	1	4	3
Memorandum items:						
Total gross expenditures	1,346	1,350	1,268	1,346	1,522	1,706
Personnel expenses (percent of total)	74	76	83	82	78	75
Salaries (share of total personnel expenses)	62	62	63	63	63	64
Other personnel expenditures (share of pers. exp.)	38	38	37	37	37	36
Total personnel expenses (in FY 23 dollars)	1,121	1,129	1,125	1,159	1,182	1,248
Salaries	697	703	704	729	748	799
Other personnel and misc. personnel expenditures	424	426	420	430	434	448

Source: OBP. Note: Figures may not add to totals due to rounding. [1] Reflects current expense categories in the chart of accounts, adjusted retrospectively as appropriate. [2] Includes Fund- and donor-financed structural resources. [3] Includes the Staff Retirement Plan (SRP), 401K retirement accounts, and Retired Staff Benefits Investment Account (RSBIA). [4] Includes spouse points and emergency travel, life insurance benefits, settlement allowances, and SBF separation incentives. [5] Includes ICD participant allowances, and social and welfare expenses.

Table 3. Gross Administrative Expenditures: Travel, FY19–24[1]

(Millions of U.S. dollars)

	FY19		FY20		FY21		FY22		FY23		FY24
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget
Expenditures	**135**	**126**	**134**	**97**	**133**	**16**	**134**	**26**	**122**	**104**	**147**
Business travel	111	99	107	72	103	1	103	11	104	78	128
Transportation	110	56	102	41	98	1	91	7	104	49	127
Per diem	1	43	6	31	5	0	12	4	0	29	1
Charters	0	0	0	0	0	0	0	0	0	0	0
Seminars & other	14	18	16	14	19	1	20	1	7	14	7
Other travel	10	10	10	10	10	14	11	14	11	12	12

Source: OBP. [1] Budget includes Fund- and donor-financed structural resources. Outturn includes structural and temporary resources. Includes travel to the Annual Meetings in Bali in FY19 and Marrakech in FY24.

Table 4. Gross Administrative Expenditures: Buildings and Other Expenses, FY19–24[1]

(Millions of U.S. dollars)

	FY19		FY20		FY21		FY22		FY23		FY24
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget
Buildings, IT and other expenses	**215**	**224**	**224**	**225**	**230**	**203**	**239**	**214**	**260**	**236**	**265**
Building occupancy	67	69	70	69	73	68	77	69	73	76	76
Information technology	69	66	72	67	73	67	75	66	71	69	68
Subscriptions and printing	20	21	14	20	21	18	21	19	23	21	25
Communications	8	8	8	8	8	7	8	7	7	7	8
Supplies and equipment	4	6	4	5	4	2	4	4	4	5	3
Miscellaneous 2/	46	55	57	56	52	41	54	50	83	57	84

Source: OBP. [1] Budget includes Fund- and donor-financed structural resources. [2] Excludes contingency. Mainly for contractual services, for example, translation and interpretation services, external audit, as well as other consulting services on business practices and processes. Reflects revision of classification in discretionary expenditures for IMF02 starting in FY23.

Table 5. Gross Administrative Expenditures: Receipts FY19–24[1]

(Millions of U.S. dollars)

	FY19		FY20		FY21		FY22		FY23		FY24
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget
Receipts	**236**	**214**	**239**	**199**	**243**	**142**	**246**	**166**	**268**	**229**	**295**
Externally-financed	196	178	200	168	206	118	210	141	230	195	250
General receipts[2/]	40	36	39	31	37	23	36	25	38	33	44

Source: OBP. [1] Budget includes structural resources. Outturn includes structural and temporary resources. [2] Includes Trust Fund Management Fees.

Table 6. Net Fund-Financed Administrative Expenditures by Department, FY19–24[1]

(Millions of U.S. dollars)

	FY19		FY20		FY21		FY22		FY23		FY24
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget
Area	**295**	**300**	**303**	**303**	**311**	**295**	**318**	**312**	**334**	**346**	**360**
African	87	89	91	91	94	88	96	97	102	108	111
Asia and Pacific	43	44	44	46	46	45	46	45	48	51	53
European	68	68	68	68	68	63	69	65	71	71	75
Middle East and Central Asia	51	52	52	49	53	50	55	54	58	61	64
Western Hemisphere	47	47	48	49	50	49	51	50	53	56	57
Functional non-CD	**160**	**165**	**163**	**170**	**168**	**174**	**173**	**185**	**189**	**201**	**210**
Communications	38	36	38	36	39	36	39	39	41	42	45
Finance	35	35	36	38	36	40	37	43	41	48	49
Research	34	35	35	36	37	36	37	40	39	42	43
Strategy, Policy and Review	52	59	54	61	56	61	59	64	67	69	74
Functional CD	**251**	**260**	**264**	**262**	**272**	**255**	**275**	**268**	**305**	**313**	**332**
Fiscal Affairs	61	62	62	62	63	64	61	63	66	76	73
Institute for Capacity Development	38	38	38	37	40	33	40	34	51	51	55
Legal	28	28	29	30	29	29	30	32	34	37	37
Monetary and Capital Markets	83	86	85	86	88	83	92	89	98	96	106
Statistics	41	47	50	48	51	47	52	50	56	54	62
Support	**271**	**274**	**280**	**278**	**292**	**289**	**298**	**298**	**318**	**330**	**339**
Corporate Services and Facilities	96	99	101	99	103	108	105	109	110	111	117
Human Resources	35	39	35	41	41	47	41	48	44	54	49
Information Technology	105	104	107	104	110	102	113	105	113	113	118
Office of Budget and Planning	5	5	5	5	5	5	5	6	6	7	6
Office of Internal Audit	5	5	5	5	5	5	5	5	6	6	6
Office of Risk Management	3	3	3	3	3	3	3	3	5	5	5
Office of Transformation Management	0	0	0	0	0	0	0	0	9	9	9
Secretary's	23	21	24	20	24	19	25	22	26	25	27
Small offices	**34**	**23**	**23**	**22**	**24**	**22**	**24**	**23**	**22**	**21**	**25**
Center 2/	**42**	**36**	**43**	**41**	**39**	**20**	**42**	**20**	**40**	**6**	**51**
Other	**83**	**75**	**82**	**75**	**81**	**71**	**83**	**74**	**87**	**77**	**95**
Independent Evaluation Office	6	6	6	7	7	6	7	7	7	6	7
Office of Executive Directors	76	69	75	68	75	65	76	67	80	71	87
Grand Total	**1,135**	**1,134**	**1,158**	**1,150**	**1,186**	**1,126**	**1,214**	**1,180**	**1,295**	**1,294**	**1,411**

Source: OBP. [1] Structural budgets. Outturn also includes use of temporary resourcing. [2] Includes contingencies and resources in centrally administered accounts, e.g., central personnel-related programs and standard cost adjustments.

Table 7. Fund-Financed FTEs by Department/Office, FY19–24[1]

	FY19		FY20		FY21		FY22		FY23		FY24
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget
Area	**785**	**799**	**789**	**799**	**780**	**804**	**781**	**825**	**796**	**846**	**817**
African	220	226	226	229	224	232	227	246	232	253	239
Asia and Pacific	112	114	114	116	113	123	113	121	116	125	120
European	186	189	180	187	175	177	172	176	174	178	176
Middle Eastern and Central Asia	134	137	136	129	135	134	136	144	140	146	143
Western Hemisphere	133	133	133	138	133	138	133	139	135	145	139
Functional non-CD	**501**	**511**	**502**	**522**	**498**	**526**	**502**	**550**	**536**	**573**	**563**
Communications	92	87	92	88	90	90	90	91	93	93	96
Finance	130	129	130	132	127	136	127	142	131	151	142
Strategy, Policy, and Review	169	183	170	188	170	188	174	193	196	201	206
Research	110	112	110	113	112	112	112	124	116	128	120
Functional CD	**721**	**714**	**732**	**722**	**729**	**733**	**734**	**741**	**758**	**752**	**787**
Fiscal Affairs	161	160	162	160	160	161	161	158	168	162	180
Institute for Capacity Development	128	127	128	132	128	130	127	128	131	134	133
Legal	82	80	84	80	83	86	83	90	90	91	94
Monetary and Capital Markets	218	221	222	228	223	234	228	241	239	240	248
Statistics	133	126	137	122	135	123	134	126	130	125	131
Support	**509**	**500**	**516**	**501**	**533**	**531**	**533**	**529**	**569**	**565**	**594**
Corporate Services and Facilities	157	160	163	158	162	162	162	161	163	162	166
Information Technology	153	145	153	144	153	139	153	144	149	141	159
Human Resources	91	96	91	99	110	130	110	119	113	121	121
Office of Budget and Planning	16	17	16	16	16	17	16	17	18	20	19
Office of Internal Audit	16	13	16	13	16	12	16	13	19	17	19
Office of Risk Management	10	9	10	10	10	9	10	8	17	14	17
Secretary	67	59	68	60	66	63	66	66	68	67	70
Office of Transformation Management	...	...	...	...	...	...	...	...	22	24	23
Small offices 2/	**71**	**58**	**59**	**56**	**60**	**58**	**61**	**61**	**57**	**51**	**68**
Center 3/	**23**	**21**	**26**	**22**	**23**	**13**	**23**	**14**	**23**	**17**	**5**
Others	**256**	**263**	**253**	**264**	**253**	**262**	**255**	**264**	**255**	**259**	**255**
Independent Evaluation Office	15	15	15	15	15	15	15	16	15	14	15
Office of Executive Directors	241	247	238	249	238	247	240	248	240	245	240
Total	**2,867**	**2,865**	**2,878**	**2,886**	**2,877**	**2,928**	**2,888**	**2,983**	**2,993**	**3,062**	**3,089**

Source: OBP. [1] Budget includes Fund-financed structural resources, unless otherwise specified. Outturn includes structural and temporary resources. [2] Includes Administrative Tribunal Office, Ethics Office, Diversity Office, Central Secretarial Support, Office for Asia and the Pacific, Office in Europe, Ombudsman, the Mediator, the Grievance Committee, and Investment Office. In FY23 overseas training centers moved to ICD; KMU and OIC moved to TRM. [3] Includes HR-related programs.

Table 8. Budgeted Staff FTE, FY19–24[1]

	FY19	FY20	FY21	FY22	FY23	FY24
Structural	2,867	2,878	2,877	2,888	2,993	3,089
Structural- Non-Augmentation	2,867	2,878	2,877	2,888	2,939	2,969
Structural Augmentation	-	-	-	-	54	119
Temporary	31	44	134	192	166	118
Transitional	31	44	43	57	78	75
Crisis	-	-	90	135	88	43
Donor financed	85	91	98	100	111	109
Grand Total	**2,983**	**3,013**	**3,108**	**3,180**	**3,270**	**3,316**

Source: OBP. [1] Budget includes Fund-financed and donor-financed, structural, and temporary resources.

Table 9. Externally Financed FTEs by Department, FY19-24

	FY19	FY20	FY21	FY22	FY23		FY24
					Budget	Outturn	Approved
Area	**1**	**1**	**2**	**3**	**3**	**2**	**3**
African	0	0	0	0	1	0	1
Asia and Pacific	1	1	1	1	1	1	1
Middle East and Central Asia	0	0	0	0	0	0	0
Western Hemisphere	0	0	1	1	1	1	1
Functional non-CD	**3**	**3**	**3**	**3**	**4**	**3**	**3**
Finance	1	1	1	1	1	1	1
Strategy, Policy, and Review	2	2	2	2	3	2	2
Research	0	0	0	0	0	0	0
Functional CD	**88**	**92**	**87**	**108**	**103**	**119**	**102**
Fiscal Affairs	31	32	34	43	30	42	30
Institute for Capacity Development	20	22	22	25	30	30	29
Legal	8	8	6	9	13	12	13
Monetary and Capital Markets	14	14	10	15	16	19	16
Statistics	16	15	15	16	14	16	15
Support	**0**	**0**	**1**	**1**	**0**	**1**	**1**
Human Resources	0	0	1	1	0	1	1
HR Programs	0	0	0	0	0	0	1
Innovation and Change				1	0	0	0
Total	**93**	**96**	**94**	**114**	**111**	**126**	**109**

Source: OBP

Table 10. Business Travel and Seminar Expenditures, FY19-24
(Millions of U.S. dollars)

	FY 19 1/	FY 20	FY 21	FY 22	FY 23	FY 24 Budget
By type of cost	**116**	**86**	**2**	**12**	**92**	**135**
Transportation	68	51	1	8	59	-
Per diem	48	35	0	4	33	-
By type of financing	**116**	**86**	**2**	**12**	**92**	**135**
Fund-financed	70	50	2	11	55	80.8
Externally financed	46	36	0	2	37	54
By department	**116**	**86**	**2**	**12**	**92**	**135**
Area	29	22	1	6	24	31
TA functional	65	50	0	2	50	71
Other functional	6	4	0	1	4	6
Support and Governance	9	5	0	2	8	17
OED and IEO	7	5	0	2	5	10
Memorandum item:						
In percent of total gross expenditures	8.6	6.4	0.1	0.9	6.0	7.9

Source: OBP. [1] Includes Annual Meetings overseas travel.

Table 11. Gross Administrative Spending by FTF FY22-24[1]
(Millions of U.S. Dollars)

	FY22 Estimated Resources	FY22 Outturn	FY23 Estimated Resources	FY23 Outturn	FY24 Estimated Resources	Percent of Total FY22 Estimated Resources	Percent of Total FY22 Outturn	Percent of Total FY23 Estimated Resources	Percent of Total FY23 Outturn	Percent of Total FY24 Estimated Resources
Country Operations	**602.4**	**529.4**	**645.4**	**641.4**	**705.3**	**41.3**	**39.3**	**41.3**	**42.1**	**41.3**
Bilateral Surveillance	253.1	242.1	248.9	254.7	269.2	17.3	18.0	15.9	16.7	15.8
Of which:										
Article IV Consultations	167.4	163.9	167.0	172.1	180.7	11.5	12.2	10.7	11.3	10.6
FSAPs/OFCs	26.1	20.7	17.8	17.5	19.3	1.8	1.5	1.1	1.2	1.1
Lending & Other Engagement	149.3	151.8	170.1	178.1	186.2	10.2	11.3	10.9	11.7	10.9
Of which:										
Programs and Facilities - General Resources	77.3	75.1	92.1	95.6	100.6	5.3	5.6	5.9	6.3	5.9
Programs and Facitilies - PRGT Resources	56.9	61.0	66.8	70.9	73.4	3.9	4.5	4.3	4.7	4.3
Capacity Development	200.0	135.5	226.3	208.6	249.8	13.7	10.1	14.5	13.7	14.6
Fund Financed	47.3	36.0	59.4	59.1	64.0	3.2	2.7	3.8	3.9	3.7
Externally Financed	152.7	99.5	166.9	149.5	185.9	10.5	7.4	10.7	9.8	10.9
Fund Policies and Analytical Work	**106.5**	**109.5**	**113.9**	**120.6**	**125.5**	**7.3**	**8.1**	**7.3**	**7.9**	**7.4**
Fund Policies	58.3	61.8	63.5	67.1	70.3	4.0	4.6	4.1	4.4	4.1
Analytical Work	48.2	47.7	50.4	53.4	55.2	3.3	3.5	3.2	3.5	3.2
Multilateral Surveillance - Global Coop./Standards	**158.1**	**164.6**	**170.1**	**174.4**	**184.5**	**10.8**	**12.2**	**10.9**	**11.5**	**10.8**
Multilateral Surveillance	84.1	88.8	90.4	94.5	98.3	5.8	6.6	5.8	6.2	5.8
Of which:										
WEO	14.2	15.3	17.5	18.7	19.1	1.0	1.1	1.1	1.2	1.1
GFSR	11.5	12.2	12.2	12.2	13.3	0.8	0.9	0.8	0.8	0.8
Fiscal Monitor	5.8	6.4	4.9	5.3	5.4	0.4	0.5	0.3	0.4	0.3
REOs	12.3	12.5	15.1	15.9	16.4	0.8	0.9	1.0	1.0	1.0
Global Cooperation/Standards	74.0	75.8	79.7	79.9	86.2	5.1	5.6	5.1	5.3	5.1
Fund Governance and Fund Finances	**152.6**	**142.5**	**158.3**	**151.4**	**172.7**	**10.5**	**10.6**	**10.1**	**9.9**	**10.1**
Corporate Functions	**375.8**	**368.7**	**395.1**	**404.6**	**422.3**	**25.7**	**27.4**	**25.3**	**26.6**	**24.8**
Miscellaneous 2/	**20.6**	**13.0**	**20.7**	**14.1**	**22.0**	**1.4**	**1.0**	**1.3**	**0.9**	**1.3**
Center 3/	**43.6**	**18.4**	**58.8**	**15.3**	**73.6**	**3.0**	**1.4**	**3.8**	**1.0**	**4.3**
Total	**1,459.5**	**1,346.1**	**1,562.2**	**1,521.8**	**1,705.9**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TRACES, TIMS, IBBIS, staff estimates. Note: Including business travel, IMF01 and IMF02, including Center and Miscellaneous.
[1] Estimated Resources reflects only approved budget. [2] Miscellaneous reflects dollar amounts not linked with any output codes.
[3] Reflects price factor adjustment as per FACTS.

Table 12. Capital Expenditures FY19-24

(Millions of U.S. dollars)

	Facilities	IT-Intensive	IT-Intensive Cloud Capital Equivalent	HQ1 Renewal		Total Capital
FY 19						
New appropriations	35.5	35.9	-	0.0		71.4
Total funds available	82.8	54.1	-	120.6		257.5
Expenditures	28.7	30.9	-	81.6		141.2
Lapsed funds 1/	5.9	0.0	-	0.0		5.9
Remaining funds	48.1	23.2	-	39.0		110.4
FY 20						
New appropriations	40.8	45.0	-	0.0		85.8
Total funds available	88.9	68.2	-	39.0		196.2
Expenditures	41.8	42.2	-	22.8		106.8
Lapsed funds 1/	1.8	0.0	-	0.0		1.8
Remaining funds	45.4	26.0	-	16.2		87.6
FY 21						
New appropriations	42.4	56.3	-	0.0		98.7
Total funds available	87.8	82.3	-	16.2		186.3
Expenditures	25.7	49.7	-	1.5		76.9
Lapsed funds 1/	2.5	0.0	-	0.0		2.5
Remaining funds	59.6	32.6	-	14.7		106.9
FY 22						
New appropriations	23.5	46.0	9.5	0.0		79.0
Total funds available	83.1	78.6	9.5	14.7		185.9
Expenditures	21.5	60.0	9.1	-0.8	3/	89.8
Lapsed funds 1/	7.9	0.0	0.4	0.0		8.3
Remaining funds	53.7	18.6	0.0	15.5		87.8
FY 23						
New appropriations	18.9	44.0	15.0	0.0		77.9
Total funds available	72.6	62.6	15.0	15.5		165.7
Expenditures	38.0	45.0	12.7	0.0		95.7
Lapsed funds 1/	7.5	0.0	2.3	15.5		25.3
Remaining funds 2/	27.1	17.6	0.0	0.0		44.8
FY 24						
New appropriations	47.4	40.5	20.3	0.0		108.3
Total funds available	74.6	58.1	20.3	0.0		153.0

Sources: OBP, CSF, and ITD. [1] Reflects funds not spent within the three-year appropriation period. [2] Unspent budget appropriation in the period, which can be used in the remaining period(s). [3] Project closeout adjustments, mainly the return of unused contractor retainage.

Table 13. Capital Expenditures on Facilities Projects, FY23[1]

(Millions of U.S. dollars)

Project	FY 23 Total Available Funds 1/	FY 23 Outturn	Lapsed Funds 2/	Remaining Funds
Total	**72.6**	**38.0**	**7.5**	**27.1**
				-
New Investments	**14.6**	**11.2**	**0.0**	**3.4**
Audio-Visual (new)	0.9	0.6	-	0.2
Other HQ investments (Workplace Redesign,electric car charges, orange level)	13.7	10.5	0.0	3.1
HQ1	0.3	0.3	-	0.0
Other miscellaneous	13.4	10.2	0.0	3.1
Lifecycle, Repair, Recurring	**48.2**	**25.6**	**7.0**	**15.6**
				-
Audio-Visual Replacements	12.6	4.0	0.0	8.6
Furniture Refresh	8.5	6.2	2.3	(0.0)
HQ Tenant Renovations	6.6	5.7	-	0.8
Other HQ lifecycle	16.8	8.9	4.7	3.2
HQ1	14.4	8.2	3.5	2.7
HQ2	1.4	0.5	0.6	0.3
Other miscellaneous	1.0	0.2	0.6	0.2
Vehicles	3.7	0.7		3.0
Contingency and Planning Reserves	**4.9**	**1.2**	**0.5**	**3.2**
Unallocated Pool 3/	**4.9**	**-**	**-**	**4.9**

Source: CSF. Note: Figures may not add to totals due to rounding. [1] Available funds include FY21-22 appropriations that were unspent at the beginning of FY23. [2] Includes FY21 unspent funds that expired at the end of the three-year appropriation period. [3] Unallocated pool includes funds earmarked for lifecycle projects that have not been released yet.

Table 14. IT-Intensive Capital Spending by Project, FY23

(Millions of U.S. dollars)

	Total Approved	Total Spent in Previous Years (thrugh FY23)	FY 23 Outturn
Totals IT-Intensive Capital Spending	**211.2**	**138.3**	**45.0**
Key Modernization Projects (and pre-reqs)	**106.5**	**72.2**	**17.4**
Nexus (New DM)	25.8	19.7	5.1
iDATA	31.9	17.2	6.8
HR Modernization			
1HR Closeout			0.6
SRP CCBR and VSP Reforms	1.0	0.9	0.9
SRP CCBR Rehire Reform	2.1	0.0	0.0
IDW-Related Modules1/			
DWR	9.0	0.6	0.1
Intranet	1.2	1.1	0.7
Pre-requisite/foundational projects	16.4	13.7	3.3
New Investments	**64.6**	**31.5**	**14.3**
Business Continuity Center (BCC) Relocation/Cloud Migration	5.0	4.7	1.3
CMDB Technology Management Operations Automation	2.9	1.9	1.1
Data Science Platform	0.9	0.1	0.1
EU Pillar Assessment (CBA development)	2.1	0.2	0.0
FACTS Financial Gateway	0.3	0.3	0.0
Fund Integrated Training Solution	1.4	1.3	0.0
iFin Mandatory Core Banking System Upgrade	13.5	5.3	2.7
IMF.org Operational Optimization	1.3	1.2	0.3
Innovation Fund	0.6	0.4	0.0
Integrated Language Services Solutions 2.0	1.9	1.8	0.2
Integrated Macroec.Forecasting Environment (IMFE) Prototype	1.8	0.0	0.0
MIS DaVinci replacement - Creative workflow mgt system	0.7	0.7	0.0
MSPs Ecosystem	2.7	1.9	0.5
OMD Review Tool	0.2	0.1	0.0
Optimizing CD Partner Engagement with the Fund	0.5	0.4	0.0
Oracle Exadata Upgrade	2.4	1.4	1.5
Procurement, Risk and Integrated Supplier Management (PRISM	5.8	1.0	1.0
Robotic Process Automation (RPA) Second Phase	1.5	1.1	0.4
RST Implementation	0.6	0.3	0.3
Service Hub	0.8	0.8	0.1
SharePoint 2013 Migration to SharePoint 2016	1.1	1.1	1.1
Space Management System Replacement	0.6	0.6	0.1
Strengthening DevSecOps Automation Capabilities	1.2	1.0	0.5
of which: Information Security			
Crown Jewel Data Leakage Prevention	3.7	0.0	0.0
Crown Jewel Metrics Automation	0.8	0.0	0.0
Implement PKI and Key Management Service	2.0	0.0	0.0
Modernizing to a cloud-based Single Sign On	0.9	0.2	0.4
Privileged Account Management (PAM) Tool Replacement	1.2	0.7	0.6
Proactive Crown Jewels (CJ) Protection	6.4	2.9	2.1
Infrastructure end-of-life	**40.2**	**34.6**	**13.3**
IT End-User Equipment for Special Requests and Growth	0.3	0.2	0.1
Lifecycle Refresh of Remote Office Infrastructure	4.5	4.3	0.8
Mobile devices refresh	3.4	2.8	0.3
Network Infrastructure	6.1	5.9	1.1
Network Infrastructure 23-25	1.9	1.1	1.1
PC Refresh & Hybrid Model	16.1	14.7	8.7
Server Capital 2023-2025	1.7	0.1	0.3
Server Capital EOL	3.3	2.8	0.3
Storage Capital EOL	1.9	1.9	0.0
Storage Infrastructure Renewal 2023-2025	1.1	0.7	0.6

Sources: ITD, TRM, OBP. [1] $4.7M for initial, high-level vision, scoping, and design work of the original IDW project not included.