



IMF POLICY PAPER

FY2025-FY2027 MEDIUM-TERM BUDGET

May 2024

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its April 25, 2024 consideration of the staff report.
- The **Staff Report** on the Medium-Term Budget was prepared by the IMF staff and completed on March 28, 2024 for the Executive Board's consideration on April 25, 2025.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

Electronic copies of IMF Policy Papers
are available to the public from
<http://www.imf.org/external/pp/ppindex.aspx>

International Monetary Fund
Washington, D.C.



IMF Executive Board Approves FY2025–FY2027 Medium-Term Budget

FOR IMMEDIATE RELEASE

Washington, DC—On April 25, 2024, the Executive Board of the International Monetary Fund approved the 2025-27 financial years (FY25-27) medium-term budget. While the global economy has shown resilience to successive adverse shocks, the overall global economic context remains complex with slow and uneven growth, increased fragmentation, deepening divergence, and still high interest rates despite easing inflationary pressures. This environment has contributed to sustained high demand for Fund financial support, and more granular and country-tailored policy analysis, advice, and capacity development. The Board recognized the imperative for the Fund to continue to adapt to members' evolving needs, helping them safeguard macroeconomic stability and rebuild buffers while bolstering international cooperation to support ongoing structural transitions requiring joint action.

The Board noted that the Fund's budget is in a transition period. This reflects both the unwinding of temporary resources that helped address urgent pandemic-related work as well as the completion of the three-year structural augmentation to help members tackle macro-critical challenges related to climate, digital money, macrofinancial surveillance, fragility, and inequality. Against this backdrop and recognizing the sustained high workload and demands on Fund staff, the Board emphasized the importance of reprioritization to support the continued budget agility and discipline which guided the formulation of the FY25-27 budget and of strong cooperation with other institutions. They also welcomed the commitment to return to a flat real budget trajectory in FY26.

The approved net administrative budget for FY25 (May 1, 2024–April 30, 2025) totals US\$1,501 million, consistent with projected income and the path for the precautionary balances target. The budget includes the final tranche of the structural augmentation (2 percent of the net administrative budget) in support of work towards a greener, digital, and more inclusive global economy. It also includes a one-off increase for the Executive Board to restore staffing levels to those before the 2008 downsizing, support the creation of a 25th chair, and address broader work pressures, after incorporating internal savings. The maximum amount of unused budget resources that can be carried forward from previous years will be reduced from 6 to 5 percent of the underlying budget to continue the gradual unwinding of temporary pandemic-related resourcing introduced in FY21.

The Board also endorsed the final of a three-year step increase in the externally funded spending limit approved last year to support capacity development (CD) efforts in the structural transformation areas.

The FY25 capital budget is set at US\$122 million and will support facilities investments—among them, lifecycle replacements and upgrades to field offices—as well as IT-intensive investments, including associated cloud license costs.

Additional information can be found in the staff paper on the [FY25-27 Medium-Term Budget](#).



FY2025-FY2027 MEDIUM-TERM BUDGET

March 26, 2024

EXECUTIVE SUMMARY

Context. The global economic environment remains complex, with the membership facing an increasingly shock-prone world, increased fragmentation, and longer-term structural challenges, driving strong demand for Fund engagement.

FY25-27 budget framework. The budget is in transition from a growth to stabilization phase, with allocation of the final tranche of the FY23-25 augmentation in FY25 roughly matched in scale with the continued unwinding of exceptional pandemic-era temporary funding and with a flat trajectory projected for FY26 and FY27. Ongoing reprioritization focuses on aligning resources with members' needs and institutional priorities, guided by principles of agility and discipline and recognizing the need for difficult trade-offs given high work pressures and competing demands within the constrained budget.

FY25 net administrative budget (NAB). The proposed NAB (\$1,501 million, nominal) includes the final augmentation tranche (2.1 percent of the NAB) and a one-off increase to the Executive Board (OED) budget (0.6 percent of the NAB), including to support creation of a 25th Chair. It continues to recognize strong demands in traditional areas, while incorporating work toward a greener, digital, and more inclusive global economy.

External funding. The externally funded budget (\$276 million, nominal) reflects the continued recovery of in-person delivery of capacity development activities. As part of the three-year increase in the externally funded spending limit agreed in FY22, a 6 percent real increase is proposed to support the structural transformation agenda.

FY25 capital budget. The proposed capital budget (\$121.9 million, nominal) will support facilities lifecycle replacements and field offices, while accommodating staff growth. IT-intensive investments will be informed by the forthcoming Business Technology Strategy and a strengthened prioritization framework, considering a strong pipeline of medium-term demand, with cloud costs rising as estimated.

Sustainability. The FY25–27 budget remains consistent with the Fund's medium-term income position and precautionary balance target.

Risks. Amid the multiple shocks facing the membership, risks to the budget remain elevated, including from uncertainty regarding the level of demand for Fund lending and the impact of sustained high work pressures on staff well-being. While risk mitigation activities are embedded in the budget, and the Fund's enterprise risk management continues to be strengthened, significant residual risk related to external drivers can only be partially mitigated.

Approved By
Michele Shannon

Prepared by the Office of Budget and Planning (OBP) team led by Maria Albino under the supervision of Laurence Allain with contributions by Feras Abu Amra, Gillian Adu, Emre Alper, Anand Balakrishnan, Enkhtuul Bayarjargal, Raquel Chuayffet, Angeliki Economopoulos, Huda Etushani, Benjamin Fosu, Cher Huo, Peter Mataruse, Lewis Murara, Mercy Pinargote, Delano Radgman, Walid Saifullah, Andrea Salerno, Jared Saxton, Anika Shtuni, Karen Toledo, and Nomelie Veluz. Other contributions are noted in the relevant sections.

CONTENTS

Abbreviations and Acronyms	5
SECTION I. OVERVIEW	7
SECTION II. MEDIUM-TERM CONTEXT	9
SECTION III. FY24 DEVELOPMENTS	17
SECTION IV. FY25 ADMINISTRATIVE BUDGET	22
A. Budget Overview	22
B. Budget by Priority	26
C. Budget by Output	30
D. Budget by Department	33
SECTION V. CAPITAL BUDGET	39
A. FY24 Capital Spending	39
B. FY25 Capital Budget	41
SECTION VI. RISKS	46
SECTION VII. SUMMARY PROPOSAL FOR FY25	48
BOXES	
1. Supporting Strategic Resources Allocation Decisions	11
2. Fund Financial Support	13
3. Implementing the Hybrid Work Model	16
4. Key Achievements in FY24	17
5. Augmentation Key Deliverables	28
6. CD Composition and Evolution	32
7. Improvements to IT-Intensive Capital Portfolio Prioritization and Monitoring	41

8. Space Management _____	43
9. Major Buildings _____	43

FIGURES

1. Net Administrative Budget and Carryforward, FY10-25 _____	7
2. Average Overtime Rate and Projected Annual Leave _____	8
3. Global Policy Agenda _____	9
4. Staff by Funding Source (FY18-27p) _____	10
5. Fund-Financed Travel _____	14
6. Fund Field Presence _____	15
7. Income and Expenses—FY08–30 _____	16
8. Staff Vacancy Rates, FY20–24 _____	18
9. FY24 Fund-Financed Travel _____	19
10. Building, IT, and Other, FY22–24 _____	19
11. Fund Projected Outputs, FY24 _____	20
12. FY24 Spending by Priority _____	22
13. FY25 Budget—Reprioritization/Savings, and Reduction in Temporary-Funding _____	26
14. FY25 Fund-Financed Budget by Priority _____	26
15. Augmentation by Output and Issue, FY25 _____	27
16. Administrative Budget by Output, FY25 _____	31
17. FY25 Budget Allocations by Department _____	37
18. FY23-FY 25 Augmentation Allocation by Department and Issue Area _____	38
19. Nominal Capital Spending, FY04–27 _____	39
20. Nominal IT-Intensive Capital Spending, FY12-FY24 _____	40
21. FY25 Budget Risks—Heat Map _____	46

TABLES

1. Administrative and Capital Budget Envelopes, FY24-27 _____	10
2. Projected FY24 Budget Utilization _____	18
3. Receipts, FY23-24 _____	20
4. Budget Envelope, FY24-25 _____	23
5. Administrative Budget by Expenses, FY24-25 _____	24
6. FY25 Administrative Budget Space _____	25
7. Carryforward—FY25 _____	25
8. Budget Augmentation _____	27
9. Fund-Financed Budget Adjustments by Department, FY24–25 _____	35
10. FTE Changes by Department, FY24–25 _____	36
11. Nominal Capital Expenditures, FY23–24 _____	39
12. Medium-Term Capital Budget, FY24–27 _____	42
13. Estimated Capital Needs for Key Modernization Projects, FY24-25 _____	44
14. Enterprise Risk Self-Assessment for Medium-Term Budget _____	46
15. Proposed Appropriations, Financial Year 2025 _____	48

ANNEXES

I. Budget Process Overview	51
II. Selected Policy Reviews and Evaluations CY23-24	53
III. Statistical Tables	57

Abbreviation and Acronyms

ACES	Analytic Costing and Estimation System
AD	Area Departments
AFR	African Department
APD	Asia & Pacific Department
BSL	Bilateral Surveillance and lending
CCBR	Comprehensive Compensation and Benefits Review
CD	Capacity Development
CDEF	Capacity Development Externally financed
CDFF	Capacity Development Fund-financed
CDMAP	Capacity Development Management and Administration Program
COM	Communications Department
CSF	Corporate Services and Facilities Department
CSR	Comprehensive Surveillance Review
EUR	European Department
FAD	Fiscal Affairs Department
FCL	Flexible Credit Line
FCS	Fragile and Conflict-Affected States
FGF	Fund Governance and Fund Finances
FIN	Finance Department
FSAP	Financial Sector Assessment Program
FTE	Full-Time Equivalent
GED	Global External Deflator
GPA	Global Policy Agenda
GRA	General Resource Account
HRD	Human Resources Department
ICD	Institute for Capacity Development
IEO	Independent Evaluation Office
ITD	Information Technology Department
LEG	Legal Department
MCD	Middle East & Central Asia Department
MCM	Monetary and Capital Markets Department
MSGs	Multilateral Surveillance, Global Cooperation and Standard Setting
MTB	Medium-Term Budget
NAB	Net Administrative Budget
OBP	Office of Budget and Planning
OED	Office of Executive Directors
OIA	Office of Internal Audit
ORM	Office of Risk Management
PLL	Precautionary Liquidity Line
PRGT	Poverty Reduction and Growth Trust
RES	Research Department

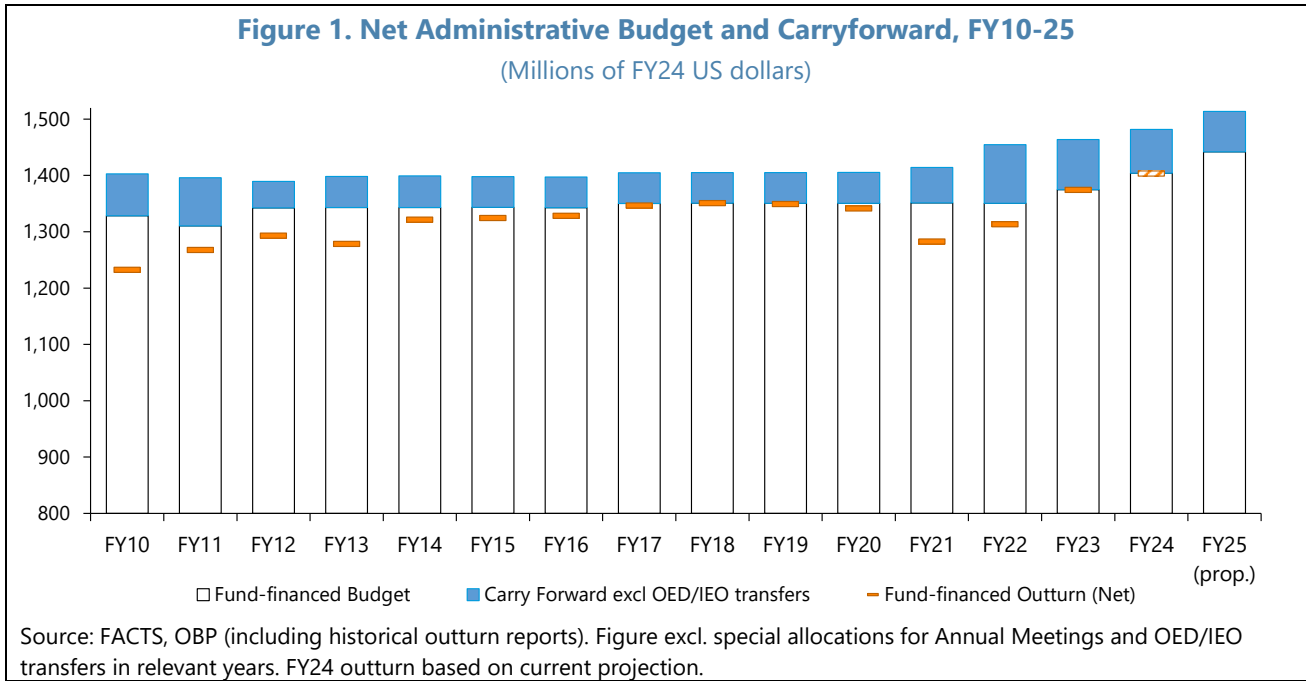
RFI	Rapid Financing Instrument
RST	Resilience and Sustainability Trust
SEC	Secretary's Department
SLL	Short-term Liquidity Line
SPR	Strategy, Policy, and Review Department
STA	Statistics Department
TFMF	Trust Fund Management Fee
TRM	Office of Transformation Management
WHD	Western Hemisphere Department

SECTION I. OVERVIEW

1. Context. The FY25-27 Fund budget reflects continued complexity in global economic developments, driving heavy demands on the Fund. As detailed in the [October 2023 World Economic Outlook](#) and [January 2024 WEO update](#), while the global economy has shown resilience to severe shocks, it has also been characterized by slow, uneven growth, increased fragmentation, deepening divergence, and still high interest rates, albeit declining with ongoing easing of inflationary pressures. The [Fall 2023 Global Policy Agenda](#) highlights the critical Fund role in a) helping members safeguard macroeconomic stability, rebuild buffers, and promote growth-oriented and green reforms and b) bolstering international cooperation to strengthen the global financial safety net and debt architecture and to support ongoing structural transitions requiring joint action.

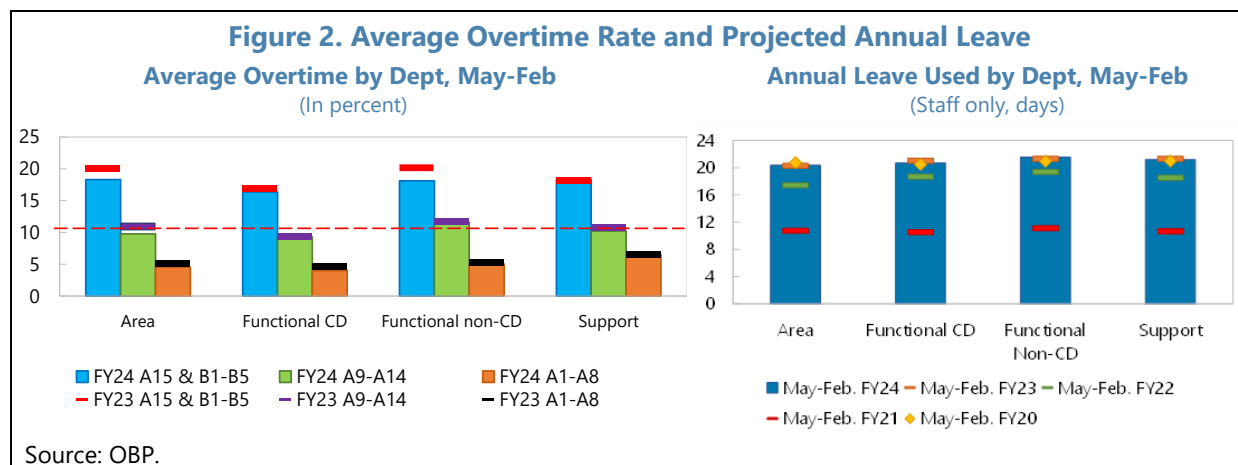
2. Fund responsiveness. Against this backdrop, the FY25-27 budget continues to be guided by principles of agility and budget discipline, reinforced by ongoing reprioritization and savings capture. It also builds on strong cooperation with other institutions, ensuring the Fund continues to focus on areas within its mandate, even as it addresses new demands. Work to strengthen internal operations also continue, focusing on both efficiency and effectiveness in meeting changing needs in the post-pandemic workplace, where rapid technological changes are underway. With significant demands within a constrained budget environment, the budget reflects difficult tradeoffs.

3. FY25 Budget. The NAB for FY25 totals \$1.44 billion (real), with a projected \$83 million in Fund-financed carryforward resources (Figure 1). The budget reflects several concurrent changes that together imply \$13.8 million in net new resources versus FY24, excluding the FY24 allocation for Annual Meeting travel and before reprioritization. This includes \$5.2 million in space for the general budget (excluding IEO/OED), with a shift toward greater structural and reduced temporary funding.



- Structural changes:** Two changes will increase net overall structural administrative space by \$37.5 million (about 2.7 percent of the net administrative budget, NAB).
 - Augmentation:** A final \$29.0 million (2.1 percent of the NAB) in structural space under the FY23-25 [augmentation framework](#) will expand work in priority areas, as detailed below.
 - Executive Board resources:** An \$8.5 million net increase (0.6 percent of the NAB) for the Fund’s Executive Board (OED) was agreed in February 2024. This increase supports the establishment of a 25th Board Chair (a third chair for sub-Saharan Africa) and allows for an increase in the staffing entitlements of all OEDs by one FTE Advisor, recognizing increased needs arising from the expansion in Fund activities in recent years. Gross needs total \$10 million, with internal savings of \$1.5 million.
- Temporary resourcing:** During the pandemic, an exceptional increase in temporary, one-off budget space (through both an increased carryforward limit and repurposing of travel/event spending) provided urgently needed breathing room as the Fund adapted to evolving demands. Unwinding of this exceptional space will continue in FY25, with a \$23.8 million reduction. That said, many of the direct country support related activities funded by these resources (including increased program-related work and more granular policy advice) continue to require heightened resourcing within available space. Temporary resources available to the general budget from OED/IEO underspend above the carryforward limit is expected to be flat in FY25.

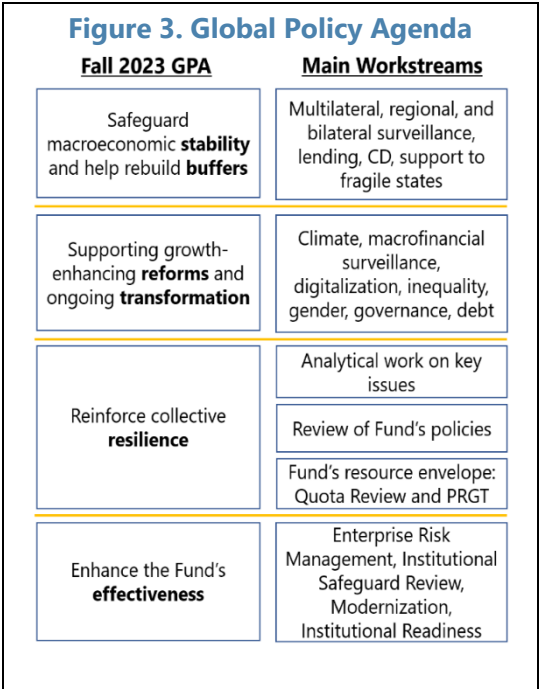
4. Work pressures. Work pressures remain elevated, notwithstanding significant reprioritization, reflecting wide-ranging demands on the Fund and contributing to operational risks (Figure 2). As highlighted in the 2023 Risk Report, out of 18 safety and well-being risks identified in department-level risk assessments, 11 focused on staff burnout, related to high work demand, tight deadlines, turnover, and health related absences. While average overtime in the first 10 months of FY24 (11.1 percent) has declined from its FY21 pandemic peak (12.4 percent), it remains above the pre-crisis rate of 10.0 percent for this period. Persistent pockets of higher overtime remain at senior levels and broad-based training uptake remains low. Annual leave use has recovered to pre-pandemic levels. However, the 2023 Health and Wellness Survey (forthcoming) points to high stress indicators, including a significant and rising minority of staff that rate their mental health as fair, poor, or very poor, with work hours and high workload/demands a key source of stress.



5. **Paper structure.** Section II presents an outlook of the medium-term budget. Section III reviews budget execution of FY24 and Section IV details the proposed administrative budget for FY25. Section V presents the proposed FY25 capital budget. Section VI discusses budget risks and mitigating measures. Section VII presents FY25 proposed decisions.

SECTION II. MEDIUM-TERM CONTEXT

6. **Maintaining agility** (Figure 3). The [Global Policy Agenda](#) recognizes the need for the Fund to continue to address needs in areas of traditional strength within its mandate, where member demands remain elevated in the aftermath of the pandemic. It also recognizes the need to continue to adapt its activities to help members address new global challenges—including climate change and digitalization—that require transformative reforms. In doing so, the Fund will continue to work in close partnership with others, focusing on strengthening its policies, tools, and financing structures to support collective action. To underpin these efforts, the Fund is strengthening its own operations in an evolving post-pandemic workplace across a changing global footprint.



7. **FY25-27 Budget** (Table 1). The three-year budget comes in a period of transition. The Fund will allocate the final tranche under the FY23-25

augmentation and advance the unwinding of extraordinary temporary support initiated in FY21 in response to the pandemic, with a flat real trajectory beginning in FY26. In doing so, it will consider:

- **Limited buffers.** With full utilization of the structural budget and unwinding of extraordinary temporary support, buffers are limited, increasing challenges to readiness to meet unexpected needs and to mitigating work pressures, putting a premium on strict budgetary management, prioritization, and recognition of needed tradeoffs. This will require close ongoing monitoring.
- **Pricing uncertainty.** Current and potential future mismatches between input prices and the Fund deflator remain a challenge. The FY21 decision to delink the salary structure increase from the budget deflator implies budget risks requiring active management, as outlined in Annex III, page 49 of the [FY23-25 budget](#). To mitigate this risk, which affects 75 percent of spending, positive differentials between the salary structure and deflator will continue to be reserved on a structural basis for future years, when negative differentials can be expected. In addition, elevated prices for some non-personnel inputs need to be absorbed within a real flat envelope. This includes airfares, which while moderating in recent months, remain about 36 percent higher than pre-pandemic rates. It also includes increases in medical benefit contributions (up 6.8 percent in FY24), and costs for data subscription (8-12 percent), IT vendors/contractual (13 percent) and cloud (8-18 percent).

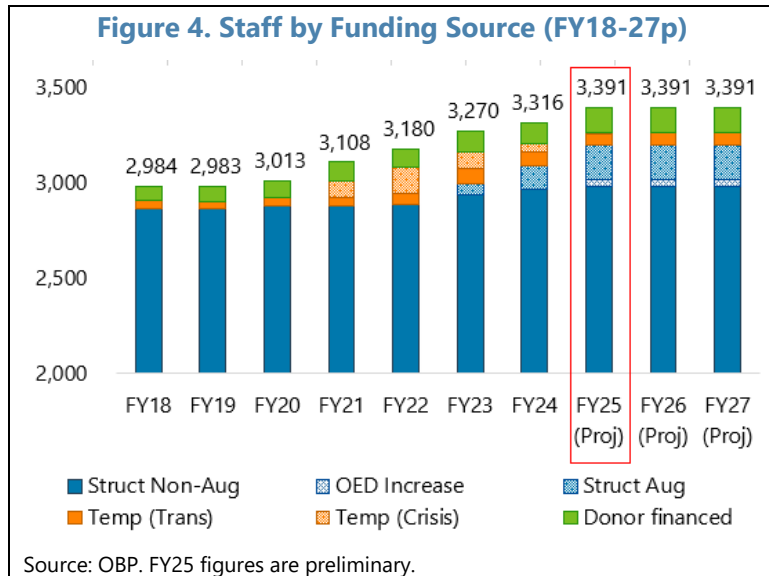
Table 1. Administrative and Capital Budget Envelopes, FY24-27
(Millions of FY24 US Dollars, unless otherwise noted)

	FY24				FY25			FY26	FY27
	Structural	Temp	Total	Outturn (est.)	Structural	Temp	Total	Indicative Total	
Gross Fund Financed	1,455	95	1,551	1,451	1,487	94	1,581	1,558	1,551
Net administrative budget	1,411	...	1,411	1,410	1,441	...	1,441	1,441	1,448
o/w FY Augmentation	29	...	29	...	29	...	29	...	...
o/w OED budget increase	...	...	...	...	9	...	9	...	...
o/w Annual Meetings	7	...	7	...	...	...	...	...	7
General Receipts ¹	44	...	44	41	46	...	46	46	46
Carryforward ²	...	87	87	...	...	83	83	70	57
Other Temporary ³	...	9	9	...	...	11	11	...	...
Gross Externally Financed	250	7	257	217	265	8	273	266	266
Receipts (largely CD-related)	250	...	250	217	265	...	265	258	258
Carryforward (limit)	...	7	7	...	...	8	8	8	8
Gross administrative envelope	1,706	102	1,808	1,668	1,752	101	1,853	1,824	1,817
Capital ⁴	108	...	108	115	117	...	117	124	127
<i>Memorandum items:</i>									
General carryforward limit ⁵		72				66		54	40

Source: OBP. ¹ Incl. trust management fees, publication/Concordia revenue. ² Actual for FY24 and projected limit for FY25-27. ³ OED/IEO transfers above carryforward limit. ⁴ Reflects 3-year funding availability. ⁵ FY25 limit, 5 percent (6 percent in FY24). Indicative limits of 4 percent (FY26) and 3 percent (FY27). Excludes OED/IEO.

8. Personnel spending.

- Staff** (Figure 4). Overall budgeted staff rose from FY20-24 by about 304 positions (10 percent), including a 20 percent increase in externally funded positions supporting CD work to 109 FTEs. Fund-financed increases were funded first by temporary crisis resourcing and later through the augmentation. As detailed below, Fund-financed staff are proposed to increase by an estimated 58 positions in FY25 (including OED), before leveling off in the FY26-27 budget. Externally funded positions are proposed to rise by 17 (16 percent) in FY25.



- Non-staff personnel** positions (including HQ- and field-based experts and long-term contractuels) have also increased between FY20-24 by about 50 percent (of which 17 percent were externally financed). Long-term contractuels saw the largest increase (60 percent), driven mainly by hires in functional departments.

9. Reprioritization. The Fund will continue its longstanding practices to identify savings and reprioritization, as detailed in Box 1, page 10 of the [FY22 budget report](#) and in the context of the FY23-FY25 [augmentation](#) report. These efforts support the Fund’s agile response to the membership’s call for an expansion and deepening of work, notwithstanding the real flat budget in place from FY12-22 and ongoing needs not covered by the targeted FY23-25 augmentation. These efforts are supported by ongoing expansion of related data to support strategic decisions (Box 1).

Box 1. Supporting Strategic Resources Allocation Decisions

- Staff have significantly expanded the granularity of budget data in budget reporting in recent years to inform strategic budget discussions. These efforts are continuing.
- Budget reporting (e.g., on allocations; outturns; reprioritization) is now structured based on a common set of strategic output categories also applied for broader strategic planning and knowledge management (the Fund Thematic Framework). This breakdown provides structured budget information, by direct country operations (surveillance, lending, and CD), multilateral surveillance and global standards, policy and analytics, and corporate functions (e.g., Figures 11 and 13, and Annex III Table 9).
- Staff has also enhanced the availability of spending estimates in priority growth areas, including those supported by the FY23-25 augmentation (Figures 12 and 14). In doing so, staff have recognized both the need for near-term information and for care in undertaking updates to more complex data systems that would require significant planning, investment, and extensive change management to avoid significant data quality risks. Staff will build on this progress incrementally as part of ongoing medium-term budget modernization. Reporting on output versus expectations also is expanding to support ongoing monitoring and flag unexpected pressures that may develop in implementation.
- Data is also provided on budget changes by department for one-year and medium-term changes, providing a clearer picture of relative shifts in allocations.
- The budget process involves inherent iteration between consideration of individual policy/strategy reforms on the one hand and of collective tradeoffs within a constrained overall budget envelope on the other. OBP continues to work closely with sponsoring departments to support related costing of policy proposals at the recommendation stage, with due attention to the broader budget context in framing resource-conscious proposals (Annex II). Work will continue to build on these foundations, recognizing the importance of aligning commitments to deliverables within available resourcing, including in the current context as efforts continues to reduce work pressures on staff.
- To complement this effort, staff has developed work intensity indicators for non-recurrent Board Work program items as part of the FY25 pilot new strategic cycle to facilitate the surfacing of trade-offs and allow Directors’ broader views to inform resource-conscious planning.

- Reprioritization efforts have included centralized streamlining measures in [FY16](#) and FY19, reprioritization to meet crisis exigencies in [FY21](#), and ongoing initiatives to refocus work during and in the aftermath of the pandemic. They also include ongoing work on longer-term modernization of Fund operations.
- A key element of reprioritization efforts is the annual process of reassessing work objectives, taking the global policy agenda as the starting point and drawing on ongoing Board input through policy and strategy discussions (with embedded discussion of gross budget implications), as well as the Board work program. These strategic inputs cascade to a

management-led accountability exercise with individual departments to define their objectives, and these discussions inform a structured demand and savings exercise at the center of budget formulation. In FY25, these practices continue, supporting reprioritization within the structural budget and absorption of the reduction in temporary resources, as detailed in Section IV.

- Recognizing binding constraints, a key aspect of ongoing reprioritization efforts is to ensure that the selection, scale, and sequencing of outputs receives strong scrutiny at all levels—the Board, management, and staff—focusing scarce resources on the highest impact initiatives to support the membership.

10. Addressing medium-term challenges (See also Section VI on budget risks). Building on the strong existing linkages between the Fund’s budget and broader processes to define strategic priorities, the Executive Board has approved updates to the Strategic Planning Cycle on a pilot basis. The goal is to reinforce the medium-term orientation of Fund priority setting as an anchor for policy discussions and strategic resource allocation within a constrained budget envelope. Early input from strategic discussions this winter, and the FY25 Board Work Program in March (and related costing) have reinforced existing input from the GPA and ongoing policy discussions (Annex II) to inform the budget proposal. Future budget cycles will draw on broader medium-term strategic discussion under the new strategic planning procedures. The upcoming IEO review on the Fund’s mandate will also provide important input on these issues.

- **Heavy demand.** With resources constrained and buffers low, difficult trade-offs will be required:
 - **Sustained high demand in traditional areas.** With limited policy space and already high debt, members face increasingly difficult policy trade-offs to tackle inflation and address heightened macro-financial risk, slowing growth, and rising inequality. Debt challenges have become more acute, with more than half of low-income countries at high-risk of debt distress; and conflict, fragmentation, and divergence continue to weigh on the global outlook. Against this backdrop, members are seeking maintenance of the higher levels of granular and tailored policy advice they came to expect during the pandemic. Demand for financial support, made more complex in cases involving debt restructuring, also remains elevated (Box 2), and CD operations are recovering as pandemic-related travel constraints ease and efforts continue to strengthen country-focused CD under the ongoing [CD Strategy Review](#), to be discussed by the Board this spring. As noted, meeting these demands across the range of outputs within a flat real envelope is further complicated by ongoing reduction in available temporary resources.

2023 CD Strategy Review

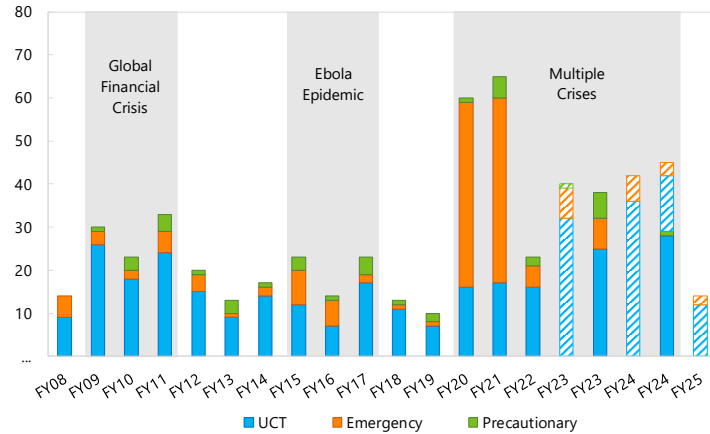
The review reinforces the importance of flexible, tailored, and integrated CD, and focuses on key framing principles underlying the Fund’s CD activities, including its size, financing mix, global footprint, and staffing model.

Related budget implications will be incorporated into future budgets, recognizing the medium-term nature of some of the reports’ recommendations.

Box 2. Fund Financial Support

Sustained financial support. Amid historically strong program engagements, Fund financing operations will continue to be elevated and absorb requisite budget resourcing. The significant take up of the RSF (an add-on to existing UCT operations) as well as complexity linked to debt-related issues in some cases, is expected to continue to drive further increases in the intensity of UCT programs. This heightened program engagement is projected to continue in FY25.

Fund Financial Support FY08–25
Approved Arrangements (through February 2024)



- Upper credit tranche (UCT) financing is projected to increase by a net 3 lending operations in FY24, including 29 approved through February 23, of which 13 had an RSF component. This brings the RSF approvals to 18 since the instrument was launched in late FY23. Active requests could result in 13 additional UCT lending operations (5 envisaging an RSF component) and 3 emergency assistance operations in late FY24.

Source: SPR, OBP. For FY23/FY24, first bar: projection at budget approval. Second bar: final (solid)/proj (hashed). Increasing RSF operations (not counted separately) are a component of UCT program, adding significant complexity.

- The projection for FY25 incorporates 2 emergency requests (delayed from FY24) and 12 early inquiries for Fund financial support (5 with an RSF component) as of February 23.

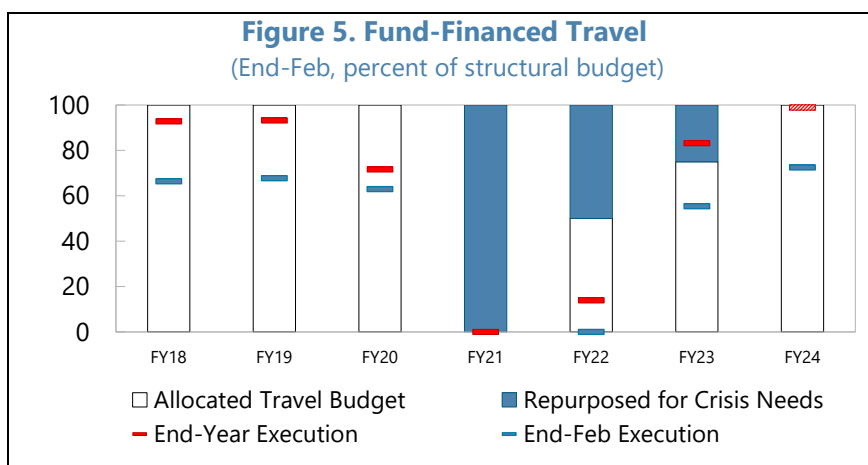
Recent reforms to the Fund’s lending toolkit (including the review of the precautionary instruments and the temporary modifications to the access limits for non-concessional lending) are expected to further buttress support to members (see recent lending policies in Annex II).

- **Expanding needs to support transformational reforms.** The FY23-25 augmentation has been instrumental in allowing the Fund to ramp up its work to address new strategic priority areas. Notwithstanding substantial progress in implementation, as detailed below, member expectations remain high, and tradeoffs will be required even within the expanded envelope as the Fund continues to build out its work in these areas. In this context, the exceptionally strong take-up of the RSF has stretched available climate-related resourcing and required trade-offs between accelerating the rollout of new RSF arrangements and mainstreaming climate-related policy analysis in Article IV reports. Even so, growth in climate-related activity has exceeded the space provided under the augmentation, as detailed below. FY24 RST costs are tentatively projected at \$13.6 million, including \$5.1 million in trust administration and \$8.5 million in operational costs, incorporating related overheads; final estimates will be

included in the FY24 budget outturn report. The scale of new and ongoing arrangements with RSF components (along with related costs) are expected to increase further in FY25. At the same time, the impact of technology on members—digitalization and role of AI—is moving at an accelerating pace, and the Fund is working closely with partners to ensure its agenda in these areas remains up to date. In this context, an interdepartmental working group on AI, co-chaired by ITD, SPR and MCM, has been constituted to assess the macro-critical impact of AI on the membership, the role of the Fund, and knowledge gaps, as well as institutional use of AI for the Fund itself. Departments, in collaboration with ITD, are in the early stages of piloting the rollout of new AI applications to increase the productivity of staff’s day-to-day work, while ensuring appropriate governance and risk mitigation. Effective implementation will depend on ongoing reassessment of organizational arrangement as this work is further embedded in Fund activities and related needs evolve.

- **Hybrid engagement** (Figure 5). Drawing on lessons from the pandemic period, the Fund

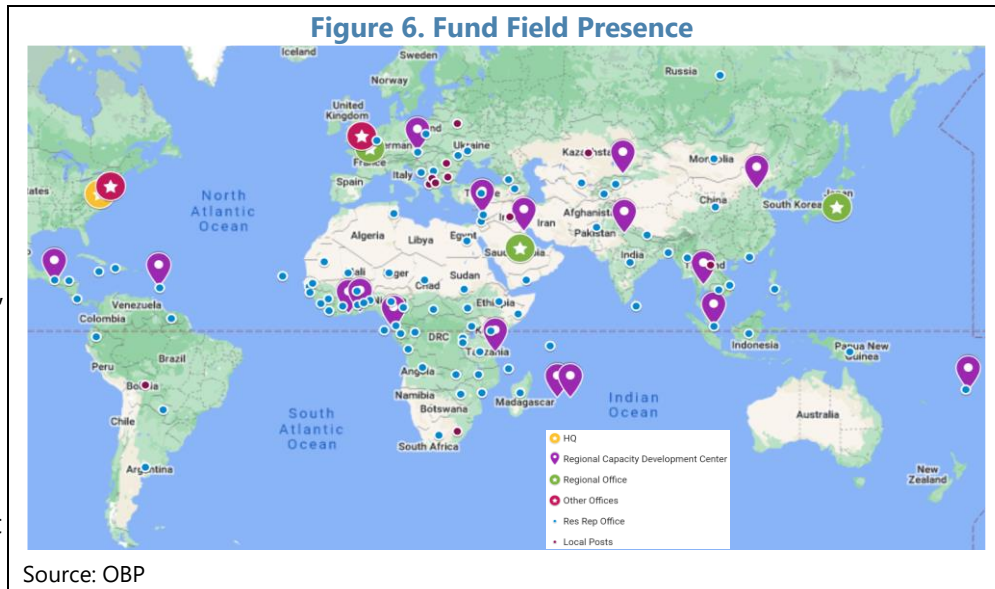
continues to incorporate hybrid and virtual engagement in its interactions with the membership, while also recognizing the importance of in-person interactions to institutional effectiveness. The optimal mix will continue to be assessed, along with capital needs



to support such engagement and related environmental considerations, while continuing to give primary weight to the needs of members. With mission volumes recovering and ticket prices remaining high, execution of travel budgets will require careful monitoring.

- **Rightsizing the Global Footprint** (Figure 6). Field presence has played an increasingly important role in the Fund’s engagement with its members, supporting closer engagement and, in turn, traction in the Fund’s work. The Fund’s field presence has seen particularly strong growth over the past two decades in CD-related field activities, supported by donor funding, but with an increase also in resident representative (including FCS) and regional offices. As of December 2023, field presence included 120 offices, up by 9 since 2020 and 20 since 2010. This includes 17 RCDCs and 103 regional and resident offices. Overall field personnel totals 882, including 120 staff, 167 experts, and 595 local staff—a 32 percent increase in overall staffing since FY10 and 11 percent since FY20, with the largest increase for field-based experts. The shift to greater

field-based operations also comes with needed management/oversight and overhead costs related to facilities (security and real estate support), IT (equipment and technology support), administrative payments, and HR operations that also need to be accommodated. The Fund has recognized the need to ensure it maintains a robust operational strategy to support its global footprint, with ongoing work to update related practices and policies, and ensure that cost considerations are integral to planning.



- Addressing Changing Operational Needs.** As detailed in Section V, the Fund has increased investment in modernizing its operations in recent years, following a sustained period of underinvestment. This agenda will need to continue, drawing lessons from early experience and with steady investment in necessary specialized skills. Key priorities remain promoting more efficient and user-friendly back-office functions through simplification and harmonization of operational process, updated systems and better user interfaces, reduced exposure to cyber-risk and adherence to data privacy norms. As this work continues, AI holds promise to bring about productivity effects and transform how the Fund operates, but also carries risks. FY25-27 investments will also reflect facilities and IT needs related to optimization of finite office space to accommodate growth and enable hybrid work, with ongoing assessment of related costs and benefits (Box 3), as well as lifecycle-driven maintenance and refresh of existing facilities. Recognizing the need for efficiency and strong targeting of available resources, work continues to strengthen related governance and prioritization structures. Together, these changes aim to drive operational efficiencies to protect space for critical economic work within a constrained budget.
- Evolving Enterprise Risk Management (ERM) framework.** The Fund is also continuing to strengthen risk assurance under the ERM policy approved in December 2022, focused on an integrated and phased approach that builds on robust underlying risk-mitigation processes, supporting a steady move to a higher level of maturity—with initial phases focused on the most critical processes and papers. This work will incorporate lessons from a recent review of early implementation, which highlighted initial improvements in risk awareness through incorporation of new tools, while pointing to the value of more transparent and structured consideration of enterprise risks that recognizes how this work fits within broader demands on departments in a

resource-constrained environment. Early feedback from departments points to opportunities to simplify guidance for ERM implementation and find efficiencies through economies of scale across business processes, and sequencing of demands.

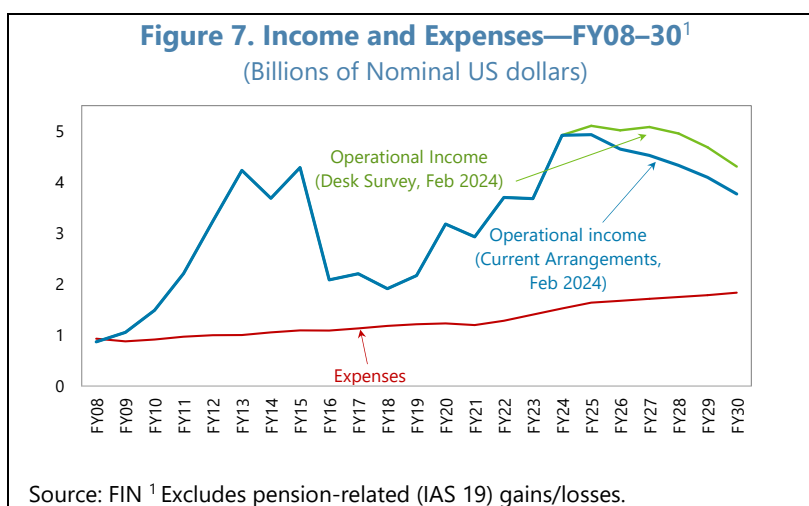
Box 3. Implementing the Hybrid Work Model

The required minimum office presence for HQ-based employees is now 60 percent per month, with a three days per week baseline expectation. Rollout of the hybrid work model has required flexibility and adaptation, with practices fine-tuned based on experience. Implementation is also accommodating recent staff growth within the finite HQ footprint. While the next 12-18 months will help determine longer-term budget impacts, some near-term implications include:

- Capital Investments:** Facilities needs include Teams-enabled rooms, collaboration spaces, and reconfiguration of finite office space to meet both hybrid needs and staff growth, recognizing mid-week “bunching” of in-office presence. Technology investments include end-user equipment, e.g., laptops, communication equipment for offices/meeting rooms, and the underlying IT infrastructure to enable hybrid work. Related capital needs total about \$18 million in FY24 and \$15 million in FY25.
- Recurring expenditures:** On a recurring basis, the hybrid work model entails spending to support hybrid-capable rooms and equipment, hybrid Board meetings and large hybrid events such as townhalls, increased creative solutions and interpretation needs for virtual events, continued training, and IT maintenance cost for staff equipment. These recurring expenditures have been absorbed through reprioritization, including \$2.7 million in FY24 and \$2.5 million in FY25.
- Efficiencies:** A key benefit of the hybrid work model is addressing personnel growth without leased external space (estimated cost avoidance of \$18-20 million per year). Additional short-term efficiencies in operating costs are marginal, mainly from optimizing cleaning and upkeep schedules, adjusting heating and cooling settings based on building occupancy, reduction in printing costs, and cost avoidance due to lower use of desk phones. Future facilities renovations (such as the HQ2 renewal program) present an opportunity to realize efficiencies through implementation of Smart Building technology and practices, providing data-driven capabilities to better adjust service levels, space allocation, and maintenance schedules to match occupancy patterns.

11. Income and Budget. Based on country desk survey projections, the FY25–27 budget remains consistent with a projected surplus in the medium-term income position and continued progress beyond the precautionary balances target (Figure 7).

- Under existing policies, projected operational income will remain well above expenses through FY30, reflecting high demand for Fund support. Reimbursements to the GRA from the SDR department and the RST also contribute to income, with such flows



from the PRGT suspended until FY26. Improved non-lending income projections reflect the high interest rate environment and the corresponding SDR interest rate path.

- The SDR 25 billion target for precautionary balances is expected to be reached in late FY24. The proposed FY25-27 budget ensures continued consistency with the projected path for precautionary balances. The Review of the Fund's Income Position for FY24 and FY25 and the [Review of the Adequacy of the Fund's Precautionary Balances](#) provide further analysis of the assumptions underpinning the projections.

SECTION III. FY24 DEVELOPMENTS

12. FY24 Achievements (Box 4). In response to multiple shocks and sustained global economic uncertainty, the Fund expanded its direct country support through tailored policy advice; increased financial operations, including the continued ramp-up in RSF operations; and CD. The Board of Governors also concluded the [16th General Review of Quotas](#), approving an increase of 50 percent. FY24 also marks the second year of implementation of the phased three-year budget augmentation, with deliverables broadly on track across the five targeted strategic priority areas (climate change, digital money, macro-financial surveillance, fragility, and gender and inclusion). More detailed updates on this work are provided in Section IV.

- Foundational analytical work under the priority-area strategies covered by the augmentation is ongoing, and direct country engagement (surveillance, lending, and CD) is ramping up, benefiting from augmentation-related structural resources, and by ongoing build-out of coordination mechanisms with relevant global partners.
- Implementation risks for these strategies continue to be monitored and addressed, including competition for scarce specialized expertise (e.g., on climate and digital money) as discussed in the CY23 Staff Recruitment and Retention Report. Organizational arrangements to support implementation and cross-departmental coordination continue to be reviewed.

Box 4. Key Achievements in FY24

Country Operations:

- Financing to 29 countries (incl. 20 LICs)
- 13 RSF operations approved, 5 in train
- 123 Article IV consultations, 6 FSAPs concluded
- 173 countries/territories received CD

Multilateral Surveillance

- Analysis on fragmentation/commodity markets
- Assessment of vulnerabilities in a higher-for-longer interest rates environment

Policy/Analytical

- Implementation updates of the digital money, FCS, and gender strategies
- 2023 CD Strategy Review
- Reviews of the lending toolkit
- SDN: AI and the Future of Work

Fund Governance and Finance

- Completion of the 16th Quota Review
- Attainment of Stage 1 PRGT fundraising target
- Creation of a 25th Chair in the Executive Board for Sub-Saharan Africa

Internal Support

- Strengthened governance of the Fund's modernization agenda
- Review of ERM implementation
- Implementation of hybrid work model

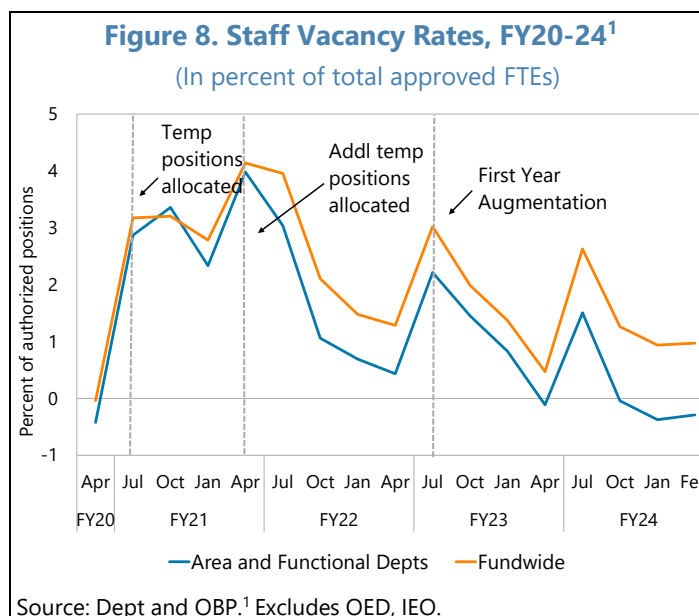
13. Utilization/Spending by Input (Table 2). Recognizing two-sided estimation risk, utilization of the general structural budget (excluding OED/IEO) is currently projected at 100.8 percent (100.0 percent including OED/IEO), versus 100.8 percent in FY23, reflecting full use of structural space and the drawdown of about \$10.3 million in general temporary resources. This includes the \$7.0 million in additional budget space in FY24 for Annual Meetings travel. Low staff vacancy rates and continued restoration of travel and in-person engagement, as well as sustained high prices for some inputs, are driving high utilization, despite the 2.0 percent augmentation in FY24. Utilization of the externally financed budget is projected to increase from 85.4 percent in FY23 to 86.5 percent, reflecting the continued increase in in-person CD delivery.

Table 2. Projected FY24 Budget Utilization¹
(Millions of US dollars, unless otherwise noted)

	Fund-financed			Externally financed		
	Structural Budget	Proj. Outturn	Utilization (percent)	Structural Budget	Proj. Outturn	Utilization (percent)
Total Gross	1,455	1,451	99.7	250	217	86.5
Personnel	1,118	1,137	101.6	159	149	93.6
Travel	93	89	95.5	54	37	69.1
Buildings/IT/Other	227	226	99.4	37	30	81.8
Contingency	17	0	-	0	0	-
Receipts	-44	-41	92.0	-250	-217	86.5
<i>Memorandum items:</i>						
Total Net	1,411	1,410	100.0			
General (excl. OED/IEO)	1,316	1,326	100.8			

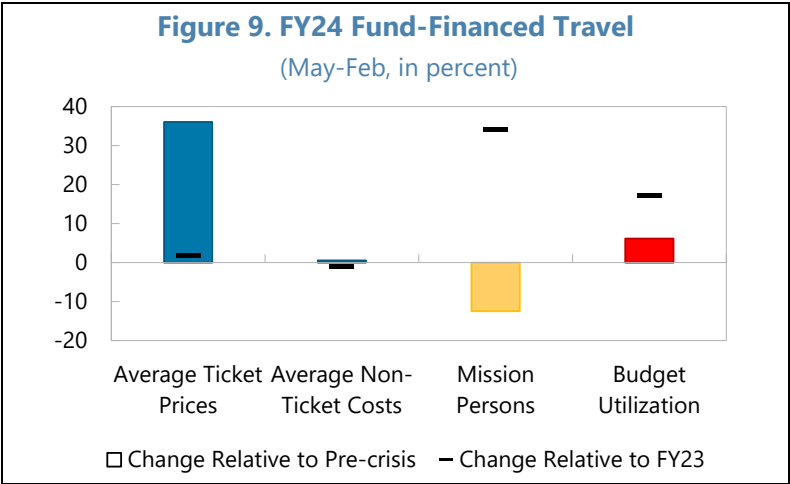
Source: OBP.¹ Utilization (which includes use of temporary resources) expressed as a share of structural budget.

- **Staff** (Figure 8). In recent years, the increase in authorized positions at the beginning of each fiscal year, first through crisis resourcing and then from augmentation, has led to a series of temporary increases in Fund-wide vacancy rates. For FY24, vacancy rates fell slightly below zero by February 2024 in area and functional departments. For the full year, execution is expected to exceed the structural personnel budget by 3 percentage points, while remaining within the overall available envelope, including temporary resources.

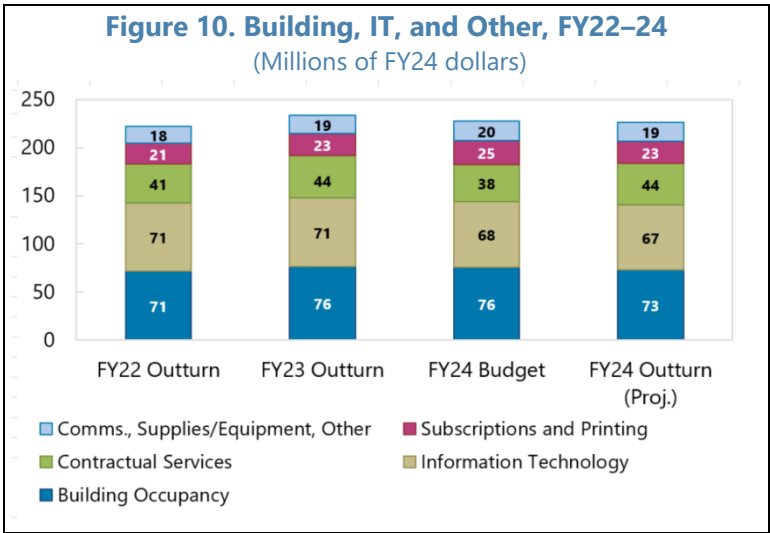


- **Broader personnel.** The number of Fund-financed long-term contractuels and experts is expected to increase by about 22 percent over the full course of FY24 (18 percent including externally financed employees).

- **Travel** (Figure 9). Fund-financed travel budget execution is now above the precrisis level and is projected at 99 percent of budget, fueled by continued high ticket prices and recovering mission volumes. Average ticket prices are some 36 percent higher than pre-pandemic levels, with per diem and other expenses lower on average by 1 percent due to the strong dollar, only partially offsetting these costs and with variations that are driving higher costs in some cases. Departments report that resource constraints have required rationing of mission participation in some cases beyond historical norms and/or transfers of budgets from other areas. These developments point to the need to manage potential pressures carefully as travel volumes continue to recover.



- **Buildings, IT, and other services** (Figure 10). Utilization is projected to increase from 98.7 percent in FY23 to 99.4 percent, slightly below pre-pandemic levels of 101.1 percent (given use of temporary resourcing). Utilization is affected by reprioritization of some vendor resources to increase contractual spending; reduction in telecom, printing, and utility-related spending, and increased IMF02-related cost recovery. Underspend was partly offset by non-travel cost pressures related to the Annual Meetings in Marrakech (not covered by the special travel provisions), as well as increased costs for security, commercial data, and other contractual services.



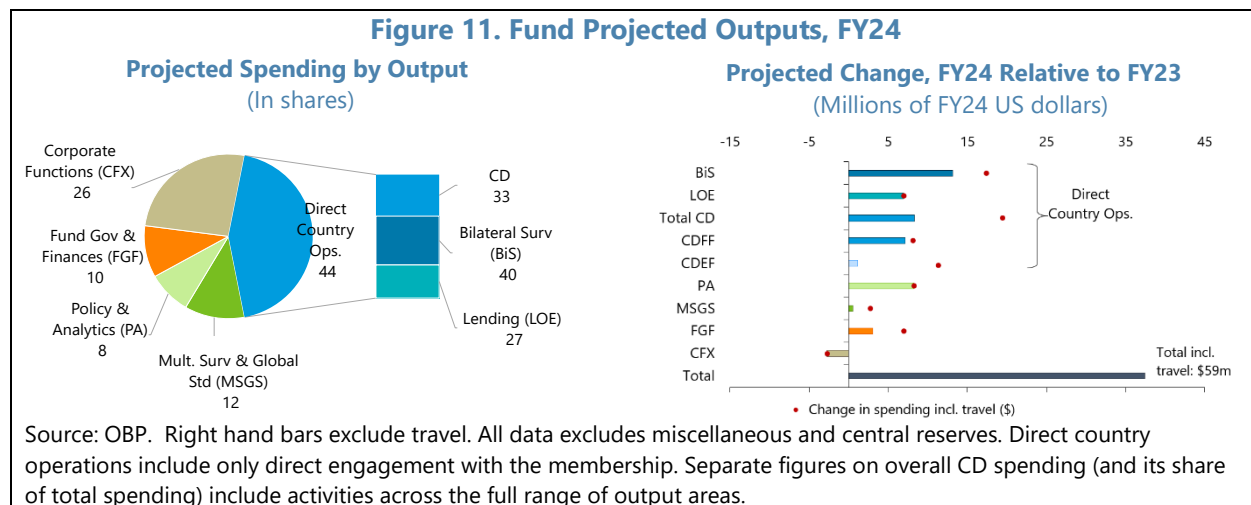
- Receipts** (Table 3). FY24 receipts are projected to increase 6 percent relative to FY23, while remaining 13 percent below budget. The projected increase owes to higher projected execution of externally financed activities (mainly CD, up 4 percent) and CD-related trust management fees (up 4 percent). Relative to budget, the gap reflects externally financed activities below the limit, lower-than-projected transfers from the staff-retirement plan (given lower-than-projected costs of investment administration), and continued shortfalls in parking fees, publication income, and Concordia revenue. In some cases, these underruns are expected to recover but a FY25 rebasing has been undertaken where lower revenue is expected to continue (Joint-Library and publications). CSF and OBP continue to monitor HQ2 lease revenue assumptions, and those for the Concordia and parking as the Fund progresses into a post-pandemic steady state.

Table 3. Receipts, FY23-24
(Millions of FY24 US dollars)

	FY23		FY24	
	Structural Budget	Outturn	Structural Budget	Proj. outturn
Total	284.5	242.9	295.0	257.7
Externally financed CD (direct cost)	244.0	207.8	250.5	216.8
General receipts	40.5	35.1	44.5	40.9
Admin and trust fund management fees	13.4	14.5	13.4	15.2
SRP Administration	9.6	6.1	9.7	6.5
RST Trust Administration	0.0	0.0	5.1	5.1
Concordia	4.4	4.3	4.1	3.3
Fund-sponsored sharing agreements ¹	3.9	3.2	3.9	3.0
Parking	3.9	2.1	3.1	2.1
HQ2 lease ²	1.5	1.6	1.4	1.5
Other ³	3.9	3.2	3.9	4.3

Source: OBP. ¹ Reimbursements principally from the World Bank. ² Incl. Credit Union and retail tenants. ³ Incl. Corporate, Travel, P-cards rebates/bonuses, and publications.

- 14. FY24 Spending by output.** Spending estimates by output are expressed in real terms and with information provided with and without travel to isolate the ongoing travel recovery. FY24 direct spending is expected to increase across most workstreams, drawing on augmentation (Figure 11).



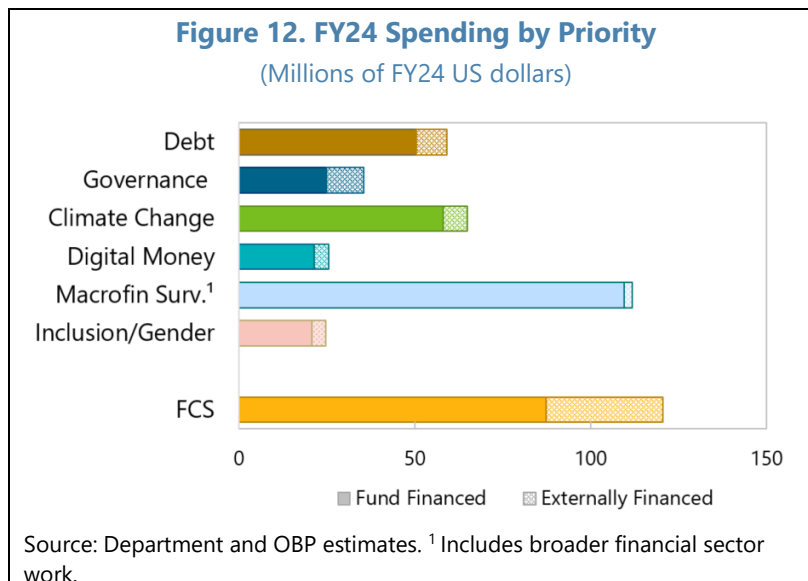
- Direct country engagement.** Spending on direct country operations is expected to grow by \$28 million or 5 percent versus FY23 (\$44 million or 7 percent including travel), reflecting growth across all output areas, albeit with the highest non-travel growth in bilateral surveillance.

- **Policy, Analytical, Multilateral Surveillance and Fund Financing.** Spending on these workstreams is projected to increase by 3 percent over FY23 to about \$473 million (\$492 million, or 4 percent including travel). Policy and analytical work rose 6 percent (with no growth in travel), with improvements to the lending toolkit, review of the precautionary instruments, debt restructuring, and the CD strategy review, as well as analytic work on geo-economic fragmentation, commodity shocks, the integrated policy framework (IPF), and priority areas. Multilateral surveillance and global cooperation efforts (unchanged, or up 1 percent with travel) primarily addressed economic interconnections and spillovers, including the implications of policy shifts in systemic economies, implications of crypto and on collateral in debt financing. Strengthening Fund's governance and finances (up 2 percent, or 4 percent with travel) included work on concluding the 16th General Review of Quotas, the replenishment of the PRGT, and the addition of the 25th Board chair.
- **Corporate functions.** Spending is projected to remain broadly stable in FY24. Priorities included continued work on modernization, including key projects related to HR, data, and knowledge management; implementation of recommendations under the Institutional Safeguards Review (ISR); strengthening of the oversight and risk management functions; addressing increased corporate service volumes with staff growth; third party risk management, support for the hybrid work model, strengthening of IT-intensive capital oversight and delivery, and work on the Business Technology Strategy, including service delivery benchmarking, workforce recalibration and stakeholder engagement.
- **Externally financed spending (mainly CD)** is projected to increase by \$9 million to about \$217 million, with utilization of 87 percent (\$34 million below the budget limit), reflecting the gradual recovery in travel-related CD spending and sustained volume in CD delivery. CD-related chargebacks are projected to increase by about \$3 million relative to FY23 and exceed budgeted chargebacks by about \$5 million. Overall CD spending is split 59/41 between Fund/external financing, including indirect costs, which are largely covered by Fund financing. The ratio including only direct costs is 43/57.

15. Spending by Priority Topic (Figure 12). Departmental spending estimates by priority topic in FY24 point to an increase across all priority areas. This reflects both the augmentation in Fund-financed resources and the increase in the externally funded CD linked to expanded work on the structural transformation agenda. These issues will be discussed in more detail in the FY24 Budget Outturn report this summer. Activities above budgeted levels are supported by unprogrammed reprioritization and overtime.

- On **debt**, direct spending in FY24 is projected at \$59 million (including \$9 million in external funding and \$15 million on CD). Fund financed spending is projected to grow \$3 million from last year, above expectations.
- On **governance/anti-corruption** direct spending is projected at \$35 million (including \$11 million of external funding and \$14 million on CD), up \$4 million. Fund financed spending is projected to increase \$3 million, above expectations.

- **Climate** direct spending is estimated at \$65 million, including \$7 million in externally funded resources and \$12 million in CD. Fund financed spending is projected to grow by \$11 million, above expectations, driven by pressures on both the surveillance and lending sides.



- **Digital Money** direct spending is projected at \$26 million, including \$4 million in externally funded resources and \$6 million in CD. Fund financed spending will grow by about \$2 million, above expectations.
- **Macrofinancial** direct spending is estimated at \$112 million, including \$2 million in externally funded resources and \$2 million in CD. Fund financed spending will grow by \$11 million, above expectations, recognizing that this total includes growth in other ongoing financial work.
- **FCS** direct spending is estimated at \$121million (including \$33 million of externally financed costs), up \$13 million relative to FY23. The large CD component in this area (36 percent) reflects increased field presence and HQ-based integration of CD and surveillance. Fund-financed spending will increase \$10 million, slightly above expectations and in line with the FCS strategy.
- **Inclusion/gender** spending is estimated at \$25 million, including \$4 million in external funding and \$5 million in CD. Fund-financed spending will grow by \$4 million, above expectations.

SECTION IV. FY25 ADMINISTRATIVE BUDGET

A. Budget Overview

16. Overview (Table 4). The FY25 NAB proposal totals \$1,441 million in FY24 dollars (\$1,501 million, nominal). Augmentation resources total \$29.0 million (\$30.2 million, nominal), or 2.1 percent of the NAB. An \$8.5 million net increase in the OED budget (\$8.8 million, nominal; 0.6 percent of the NAB) was agreed in February 2024, based on \$10.0 million in increased needs and \$1.5 million in internal savings. This will support the creation of a 25th Chair, a 3rd for Sub-Saharan Africa (estimated \$3.0 million) and address workload pressures in OED offices after incorporating internal savings (net \$5.5 million), allowing restoration of one advisor position for each Board Chair, and bringing staffing up to the level prior to the 2008 downsizing.

Table 4. Budget Envelope, FY24-25
(Millions of US Dollars, unless otherwise noted)

	FY25 Proposal						Total FY24-FY25 change ¹			
	Real			Nominal			Real		Nominal	
	Structural	Temp	Total	Structural	Temp	Total	Units	Percent	Units	Percent
Gross Fund Financed	1,487	94	1,581	1,548	94	1,642	37	2.4	98	6.4
Net administrative budget	1,441	...	1,441	1,501	...	1,501	37	2.7	97	6.9
o/w FY Augmentation	29	...	29	30	...	30	0	1.3	2	5.5
o/w OED budget increase	9	...	9	9	...	9	9	10.0	9	10.4
General Receipts ²	46	...	46	48	...	48	2	4.2	4	8.5
Carryforward ³	...	83	83	...	83	83	-4	(4.7)	-4	(4.7)
Other Temporary ⁴	...	11	11	...	11	11	2	18.3	2	18.3
Externally Financed	265	8	273	276	8	283	15	5.9	26	10.1
Receipts (largely CD-related)	265	...	265	276	...	276	15	5.8	25	10.2
Carryforward (limit)	...	8	8	...	8	8	1	9.1	1	9.1
Gross administrative envelope	1,752	101	1,853	1,824	101	1,925	52	2.9	124	6.9
Capital⁵	117	...	117	122	...	122	9	8.2	14	12.6
<i>Memorandum item:</i>										
Fund deflator	4.1									

Source: OBP. ¹ Excl. FY24 annual meeting travel budget (\$7m). ² Incl. Trust Mgt Fees and publication/Concordia revenue. ³ Includes FY25 carryforward limit. ⁴ OED/IEO transfers above carryforward limit. ⁵ Reflects 3-year funding availability.

- The **gross administrative envelope** will increase to \$1,853 million (\$1,925 million, nominal). The \$311 million differential between the net and gross budget limits supports external financing, mainly for CD (\$265 million, or \$276 million, nominal) and other receipts (transfers to cover SRP investment, RST administration, CD-related trust management fees and income from publication, parking, and the Concordia). The externally financing limit will increase \$15 million, including a \$6 million structural expansion as part of a 3-year increase agreed in FY23 to parallel the budget augmentation, and a one-off increase for overhead needs for overseas offices.
- The proposed **capital budget** of \$117.1 million, (\$121.9 million, current), includes \$51.9 million for facilities and \$65.2 million for IT-intensive capital, up \$8.8 million (8 percent) from FY24.
- The FY25 **deflator** is 4.1 percent, based on actual U.S. CPI for calendar year 2023, under the methodology established in Annex III of [the FY24-26 budget report](#).
- **Salary/Deflator dynamics.** Overall salary dynamics imply a net positive impact. Recognizing lags and uncertainty in underlying cost dynamics over time, this positive space will be added to the structural salary reserve. Future negative differentials will, in the first instance, be funded from the reserve. Also consistent with agreements under the CCB, no additional space for HR competitiveness measures is created in FY25.

17. Budget by expense category (Table 5).

Table 5. Administrative Budget by Expenses, FY24-25¹
(Millions of FY24 US dollars, unless otherwise noted)

	FY24			FY25			Change					
	Fund-financed	Externally financed	Total	Fund-financed	Externally financed	Total	Fund-financed		Externally Financed		Total	
							Unit	Percent	Unit	Percent	Unit	Percent
Total Gross Admin. Envelope¹	1,551	257	1,808	1,581	273	1,853	37	2.4	15	5.9	52	2.9
Personnel	1,170	159	1,329	1,188	172	1,360	18	1.5	13	8.1	31	2.3
Travel ¹	93	54	147	88	45	133	2	2.1	-9	-16.6	-7	-5.1
Buildings/IT/Other	235	37	272	239	48	286	4	1.6	11	28.7	14	5.3
Contingency/Other ²	53	7	60	67	8	74	13	25.3	1	9.1	14	23.5
<i>Memo item:</i>												
Receipts	44	250	294	46	265	311	2	4.2	15	5.8	16	5.6

Source: OBP. ¹ Excludes FY24 annual meeting travel budget (\$7m). ² Includes structural contingency reserves, OED/IEO carryforward, and unallocated general carryforward.

- **Personnel** costs, 73 percent of the gross administrative envelope, will increase 2.3 percent in real terms, driven by a Fund-financed increase of 1.5 percent (reflecting augmentation and OED staff increases) and an 8.1 percent increase in externally financing.
- **Travel**, about 7 percent of the gross administrative envelope, will decrease 5.0 percent in real terms, with an increase in Fund-financed spending (2.3 percent) and decline in externally financed travel (16.6 percent), the latter reflecting the growing relevance of hybrid CD delivery and reprioritization of IMF02 travel budgets to align more closely with actual FY23 outturn in FAD and STA.
- **Building and other services**, about a sixth of the gross administrative envelope, will increase 5.3 percent in real terms, driven by additional externally financed funds to accommodate one-off costs related to an office move for SARTAC and establishing a new office in Saudi Arabia (28.7percent change in real terms). Fund-financed spending will increase 1.7 percent.
- **Receipts**. 17 percent of the gross administrative envelope, will increase 5.6 percent in real terms, driven by increases in the externally financed budget (5.8 percent) and anticipated CD-related management fees (21.2 percent) with continued increased utilization of available IMF02 space, partially offset by declines in other receipts after rebasing.

18. Budget space (Table 6). FY25 real structural net administrative budget space totals about \$84.2 million (about 6.0 percent of the FY24 NAB), driven by the allocation of the last tranche of augmentation resources, the OED increase, and departmental reprioritization. Temporary space will decline by \$23.8 million, with ongoing needs related to elevated country-support activities since the pandemic, to be absorbed within remaining space.

- **Carryforward** (Table 7). In line with continued, gradual reduction in the general carryforward limit to the historic norm of 3 percent, the FY25 budget proposes a limit of 5 percent (versus 6 percent in FY24 and a high of 8 percent in FY22). This measured reduction recognizes, on the one hand, the challenging global environment and elevated demand on the Fund, and, on the other, the need to avoid prolonged dependency on one-off resources and execution above the structural budget.

- **Departmental Savings/Reprioritization** (Figure 13). FY25 structural reprioritization by departments totals \$46.6 million, with an additional \$23.8 million in reduced temporary budget space. Completion of specific policy work and analytics (e.g., Access Limits, Precautionary Facilities, LIC DSA) contribute about 16 percent of total savings. Streamlining in country work contributes a similar share, driven by streamlined Article IV consultations, greater use of LOT, and completion of some CD course development. Other savings include completion of development of the hybrid work model, reduction in after-hours staffing; improved utilities metering; efficiencies in IT software acquisition and communication services; quick-win process simplification and automation; and streamlining of some HR programs. This does not capture significant day-to-day tradeoffs at the staff and team level to meet demands within available resources. It also does not fully capture contributions from still significant staff overtime.

Table 6. FY25 Administrative Budget Space
(Millions of FY24 US dollars)

	Overall	(Percent of NAB)
Structural budget space	84.2	6.0
Augmentation resources	29.0	2.1
OED increase	8.5	0.6
Dept. Savings/Reprioritization	46.6	3.3
Other structural resources ¹	0.1	0.0
Net change in temporary space	-23.8	
<i>Memorandum items:</i>		
Total temporary allocations	43.7	3.1
Allocated general carryforward	32.9	2.3
OED/IEO transfers ²	10.8	0.8

Source: OBP. ¹Additional RST Receipts. ²Projected transfers from IEO/OED excess underspend

Table 7. Carryforward—FY25
(Millions of FY24 US dollars)

	Carryforward
General (Excl. OED/IEO)	65.8
Allocated FY25	32.9
Reserve FY26/27	32.9
<i>Memorandum items:</i>	
Overall FY25 ¹ (ceiling)	82.7
General FY24 (ceiling)	72.4

Source: OBP, IEO, and OED. ¹Incl. estimated IEO/OED limits, subject to separate decisions.

Figure 13. FY25 Budget—Reprioritization/Savings, and Reduction in Temporary-Funding
(Millions of FY24 U.S. Dollars)

<p>Corporate Functions (CFX) (20 percent)</p> <ul style="list-style-type: none"> Streamlined Hybrid support and Guard services Prioritization of translation services, publications, automation. IT Software Acquisition and Communication Services Streamlined HR training development, committee work and other operations. Operational work for AMs abroad <p>14.3 (vs \$19m in FY24)</p>	<p>Mul. Surv, Global Coop, & Standards (MSGS) (9 percent)</p> <ul style="list-style-type: none"> Currency composition DB. BPM/SNA updates – concept guidance <p>6.6 (vs \$5m in FY24)</p>	<p>Surv/ Lending (9 percent)</p> <ul style="list-style-type: none"> Streamlined AIV Consultations More LOT use <p>6.3 (vs \$4m in FY24)</p>	<p>Reduction in Temporary allocations (34 percent)</p> <ul style="list-style-type: none"> The unwinding of the exceptional one-off space provided during the pandemic implies a \$24 million reduction in temporary allocations for FY25. Many of the activities funded by these resources continue to require heightened resourcing within available space.
<p>Fund Policies and Analytical Work (PA) (16 percent)</p> <ul style="list-style-type: none"> Reviews of access limits; prec. facilities Sovereign Risk and DSA rollout. CD Strategy Review Work on economic frag./ food insecurity. Safeguards Review. APD conferences (Climate; DM; gender) <p>11.0 (vs \$13m in FY24)</p>	<p>CD (6 percent)</p> <ul style="list-style-type: none"> Conclusion of development of CBDC course, climate modules for financial sector courses. <p>4.4 (vs \$2m in FY24)</p>	<p>Fund Gov and Fin (FGF) (6 percent)</p> <ul style="list-style-type: none"> 2021 SDR alloc. Set up RST/RSF 16th Review. Pilot Strategic plan. cycle/BWP <p>4.0 (vs \$4m in FY24)</p>	<p>23.8</p>

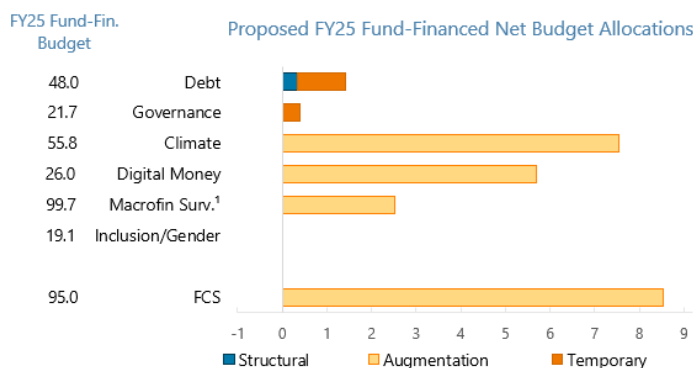
Source: OBP, Departmental submissions.

B. Budget by Priority

19. Priority areas (Figure 14).

- Debt** (\$1.3 million change in real direct spending). In addition to its support to countries facing high risks of debt distress and engaged in sovereign debt restructurings, the Fund will continue to play a critical coordinating role in the Global Sovereign Debt Roundtable and in cooperating with Paris Club and other creditors to facilitate debt restructuring under the Common Framework and other mechanisms.
- Governance and anti-corruption** (\$0.4 million change). The new resources will allow an increase in number and frequency of Governance Diagnostic Assessments and deepen coverage of governance and transnational aspects of corruption in the context of bilateral surveillance. Analytical work will explore rule of law safeguards in the context of

Figure 14. FY25 Fund-Financed Budget by Priority
(Millions of FY24 US dollars)



Source: OBP. ¹Includes broader financial sector work.

digitalization and expand training offering on governance and anti-corruption to FCS members. Separately, \$0.3 million was also provided for AML/CFT-related assessments.

- Augmentation-supported priorities** (Table 8, Figure 15) Increases in these areas are driven by the final augmentation tranche, consistent with the [framework](#) agreed in December 2021, as detailed in Box 5. Within the \$82.3 million in total FY23-25 allocations, \$12.6 million was allocated to support related administration and communications-related needs and \$3.5 million for travel, recognizing increased direct country staff. For FY25:

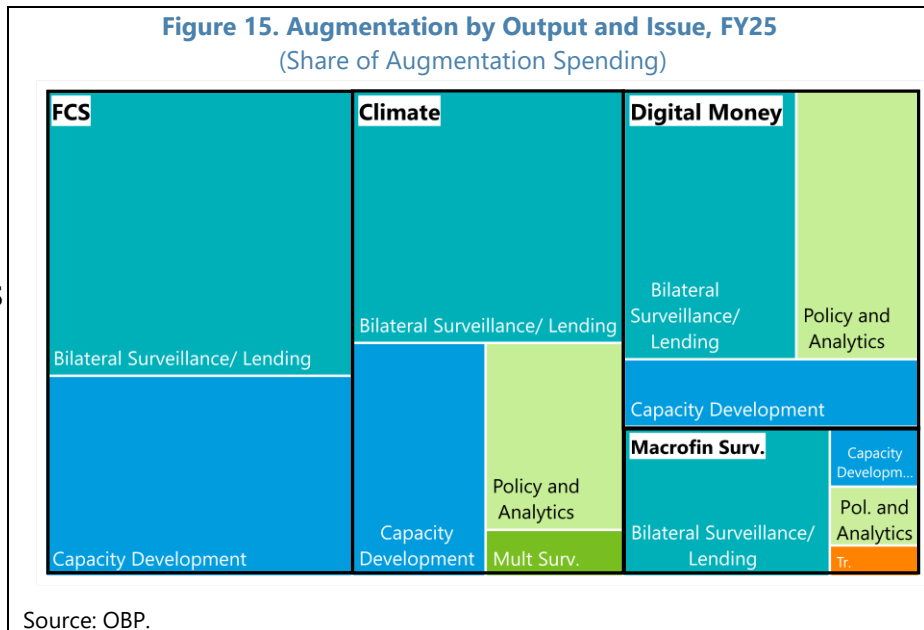
Table 8. Budget Augmentation
(Millions of FY24 US dollars, unless noted)

	Notional		Proposed	
	FY23-25		FY23-25	
	\$	%	\$	%
Total	82.3	...	82.3	...
Climate	30.1	37	30.1	37
Digital Money	16.1	20	16.2	20
Macrofinancial	9.8	12	9.7	12
Inclusion/Gender	2.3	3	2.1	3
FCS	24.1	29	24.3	29

Source: Strategy teams, depts, and OBP staff calculations.

- A \$7.5 million increase is planned for direct **climate-related needs**, (\$9.1 million with travel/overhead).
 - Net direct funding for **digital money** will be \$5.7 million (\$6.9 million with travel and overhead).

- Macrofinancial surveillance** increases are \$2.5 million (\$3.0 million with travel/overhead).
 - Additional resources for **FCS** total \$8.5 million (\$10.1 million including travel and overhead). This includes reprogramming of \$1.1 million in FCS unutilized resources from FY23.



- Gender and inclusion:** all augmentation resources (\$2.1 million overall, \$1.7 million excluding travel and overhead) were allocated in FY23 and FY24).

Box 5. Augmentation Key Deliverables

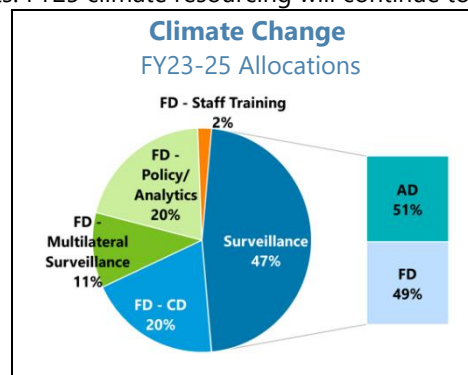
Implementation of the strategies is on track and FY25 proposed allocations are in line with the framework.

CLIMATE CHANGE

Strong demand for the RSF (interim review forthcoming) continues to require trade-offs between related work and mainstreaming climate policy analysis in Article IV reports. FY25 climate resourcing will continue to support both workstreams, including program-related climate diagnostics and supporting the RSF’s catalytic role for climate financing. Coordination with IFIs and the UN are key to the global financing climate dialogue and strategy implementation.

Country engagements: FY24 targets are on track, with in-depth coverage of climate issues in 15-20 Article IVs and 4 FSAPs, with the RSF is expected to exceed the target of 10-15 new RSF approvals. Delivery of climate-CD, particularly on fiscal issues, remains strong. In FY25, about 20 countries are expected to receive in-depth climate-related support, including policy advice in 15-20 Article IVs, 4 FSAPs, and the approval of 15-20 RSFs, while climate-related CD will continue to focus on building capacity for improving long-term resilience for climate impact and management of climate-related financial risk. The Fund’s convening role to catalyze climate finance in RSF countries will continue in 5-6 countries.

Other workstreams: Fund’s flagships in Fall 2023 addressed climate. Overall policy and analytical work addressed mitigation, adaptation, transition, climate-related financial risks, and climate finance issues, including the development of climate economic models to support country teams. Policy and analytical work in FY25 will expand further on these themes.

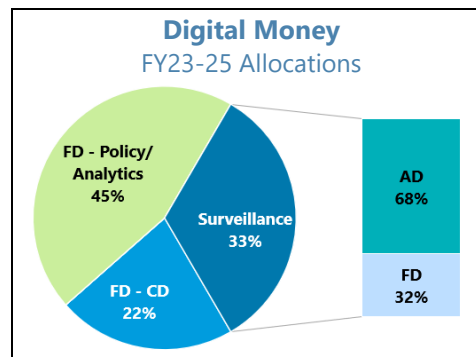


DIGITAL MONEY

Work will focus on fintech regulation and supervision, central bank digital currencies, multilateral payments platforms, G20 Roadmap on crypto assets, and cross-border payments.

Key country engagements: The Fund’s strategy on digital money has seen sustained progress, with central bank digital currencies (CBDC), and regulation and supervision of fintech and crypto assets covered in 9 Article IVs and 3 FSAPs in FY24, and 27 CD projects ongoing or completed in FY24. In FY25, efforts will focus on expanding coverage of fintech payments, crypto assets, and CBDC issues in 10-12 Article IVs and 5 FSAPs, while ramping up CD delivery on topics relating to CBDC, cross-border payments, e-money, financial market infrastructure, and regulatory and supervisory frameworks for fintech and digital assets.

Other workstreams: Policy and analytical work in FY24 included launching a CBDC handbook, making progress on policy implications of cross-border payment platforms, establishing guidance on policies to manage risks from crypto assets, starting to analyze the implications of tokenization on the settlement of assets, market structure, and the need to overhaul financial market infrastructures, and supporting the G7 and G20 and contributions to a number of international working groups and standards setting bodies. In FY25, staff will continue to work on policy and analytical tools to support country work (second wave of the CBDC Virtual Handbook chapters; help members implement the FSB’s high-level recommendations on crypto assets and global stable coins); advance the work on tokenization and cross-border platforms; contribute to G7 and G20 work on cross-border payments; and contribute to the regulatory, supervisory and oversight global policy agenda.



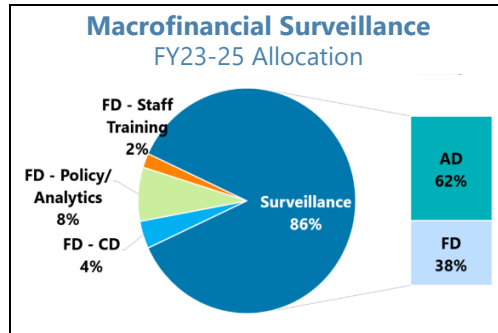
MACROFINANCIAL SURVEILLANCE

Work will further support analysis on macrofinancial linkages, toolkit development of macrofinancial risks and analysis of policy impact, and program design of macrofinancial issues. Resources will also focus on the operationalization of the Integrated Policy Framework.

Box 5. Augmentation Key Deliverables (concluded)

Key country engagements: Execution of the macrofinancial bilateral surveillance workstream is on track to address the recommendations of the 2021 Comprehensive Surveillance Review (CSR) and the [2022 Surveillance Guidance Note](#). Staff completed the assessment of macrofinancial integration in 71 Article IV consultations and six FSAPs were part of the integration pilot to better identify and address macro-critical recommendations. Efforts to mainstream macrofinancial analysis and integrate FSAPs findings into Article IV reports are expected to continue in this direction through FY25, also through early engagements ahead of Article IV consultations.

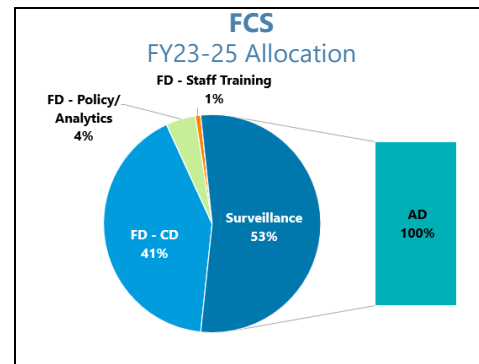
Other workstreams: FY24 saw the development of analytical tools, and delivery of internal training and workshops to increase staff capacity. This work will continue with the next Surveillance Review, which will assess progress in the implementation of the commitments on macrofinancial surveillance under the augmentation.



FRAGILE AND CONFLICT AFFECTED STATES

Resources will allow for the rollout of new Country Engagement Strategies (CES), and expansion of the Fund’s field presence, which will boost CD support to economic institutions and facilitate integration of surveillance, CD, and lending in FCS countries.

Key country engagements. As of Q4/FY24, CES have been prepared in more than 50 percent of FCS to diagnose fragility and conflict drivers and inform Fund engagement. Enhanced engagements in FY24 include the rollout of 9 CES, better integration of macroeconomic implications of fragility and conflict into bilateral surveillance, financial support with UCT-quality programs to 15 countries, and targeted CD delivery. This work is expected to reach steady state in FY25, with new CES, the scale-up in CD delivery, and enhanced operations in FCS.

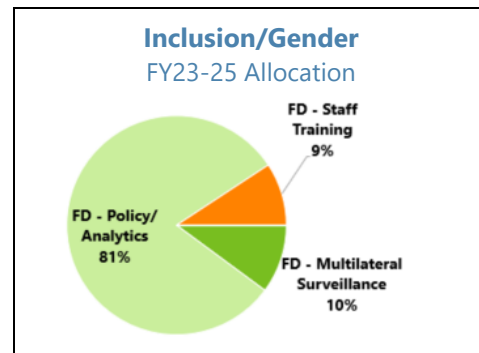


Other workstreams: Analytical issues were addressed in FY24 in departmental notes, papers, and diagnostics, which also informed a new FCS Learning Curriculum, an FCS Community of Practice with a revamped FCS knowledge site, and external collaborations with the World Food Program and the UN High Commissioner for Refugees. In FY25, analytical work will include macro-implications of fragility and conflict drivers, and the final year of FCS Strategy implementation.

INCLUSION/GENDER

Continued implementation of the IMF Strategy in this area will imply increasing coverage of gender in country engagements and the development of new analytical tools.

Key country engagements. FY24 saw an estimated increase in coverage of gender issues from 22 (FY23) to 55 Article IV consultations. The Interim Guidance Note on Mainstreaming Gender and the upcoming social spending guidance note provided operational guidance to staff, while delivery of gender-related CD courses and workshops continued. In FY25, efforts will continue to mainstream gender and inclusion issues.



Other workstreams: Analytical work on a variety of gender-related topics was published in FY24 and economic toolkits supported country operations, complemented by internal training. FY25 will see the development of new analytical tools, and contributions to global leadership on macro and gender issues.

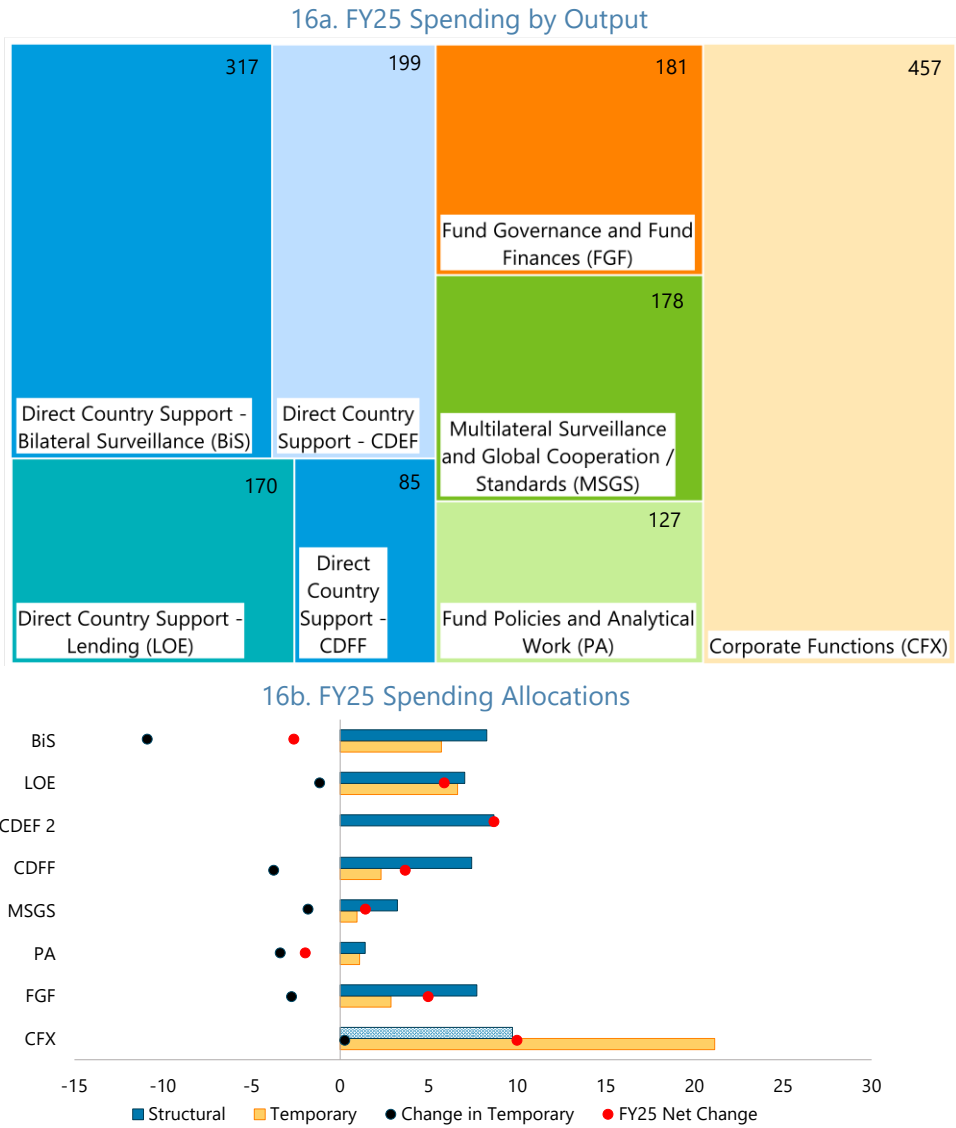
C. Budget by Output

20. Change by Output Area (Figure 16). This section focuses on real FY25 Fund- and externally financed budget changes (direct costs) in key activities highlighted in the Fall GPA and further detailed in departmental objectives under the Accountability Framework.

- **Country operations.** Bilateral surveillance and lending (\$487 million) will increase by \$3 million, with a shift in favor of lending. The net change reflects the simultaneous structural increases from augmentation and declines in temporary resources. Spending for direct CD country delivery (\$284 million), is projected to rise by \$12 million, largely through increased use of available externally funded space (Box 6). Over FY23-25, about 75 percent of direct augmentation support went to country operations, including 25 percent for CD.
- **Policy and analytics** (\$127 million) will decline by \$2 million.
 - **Policy work** will include the LIC Debt Sustainability Framework, and AML/CFT work, including updating the Correspondent Banking Relationships policy, re-initiating the work on the Illicit Financial Flows policy, and increased work on AML/CFT assessments. On lending policy, work will focus on the Comprehensive Review of Access limits; the Concessional (PRGT) Facilities and Financing; Fund's Conditionality; and the Surcharges Framework based on a comprehensive assessment of the Fund's Precautionary Balances.
 - On the **analytical front**, priorities include work on the design of fiscal and monetary frameworks, evolution of global trade; geo-economic fragmentation; operationalizing the integrated policy framework (IPF); and interplay between capital flows, CFMs and Crises; and the IMF macro-fiscal-financial framework for the SDGs to include climate. Other work includes transformational impact of the green and digital transition, effectiveness of industrial policy, and continued analysis of Artificial Intelligence and the Future of Work.
- **Multilateral surveillance and global cooperation and standards** (\$178 million) will increase \$1 million in net terms. Work will focus on further analysis of economic interconnections and spillovers, including on monetary policy and financial stability. Global cooperation will focus on continuation of the AML/CFT Program with expansion of involvement in FATF assessment work; the release and support of the implementation of the updated Balance of Payment Manual (BPM) and System of National Accounts; an update of the global debt database (GDD) and the historical fiscal variables database; and G20 guidance/notes in support of surveillance.
- **Fund governance and finances** (\$181 million, up \$5 million) will include implementation of the 16th General Review of Quotas, including maintaining access to borrowing pending effectiveness of quota increases; developing approaches to guide further quota realignment, including through a new quota formula, under the 17th General Review of Quotas; implementation of the new concessional fundraising strategy and the interim review of the RST.
- **Corporate functions** (\$457 million, an increase of \$9.9 million in net terms mainly attributable to one-off CD overhead funded by IMF02). FY25 allocations within this total also support implementation of ongoing HR modernization; planning for the upcoming compensation and

benefits review, implementation of recommendations under the Institutional Safeguards Review (including strengthening HRD’s administrative review and employee relations unit); broader work on diversity and inclusion; continued delivery of the Fund’s technology capabilities and facilities services; implementation of the Enterprise Risk Management framework and the Data Privacy Policy; and support for the hybrid model.

Figure 16. Administrative Budget by Output, FY25^{1,2}
(Millions of FY24 US Dollars)



Source: OBP and Departmental allocations. ¹ Excludes IMF Center/Misc. Includes business travel. ² No externally financed temporary (carryforward) resourcing has been allocated to date.

Box 6. CD Composition and Evolution

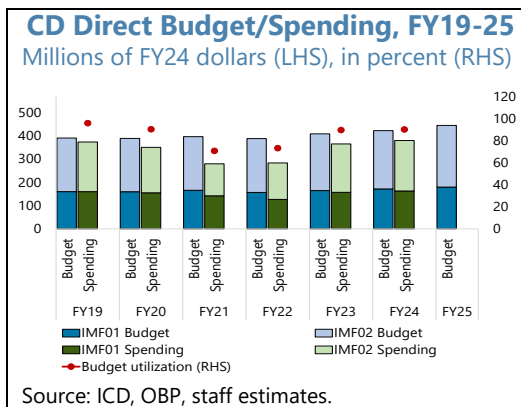
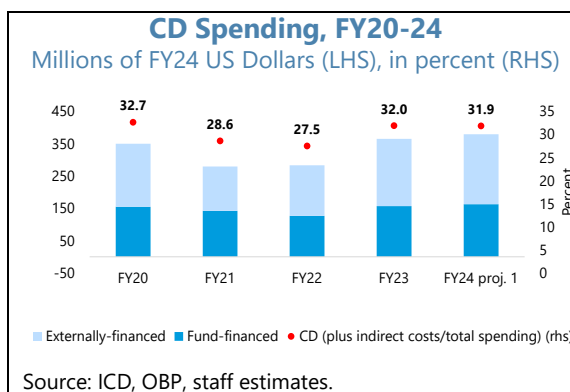
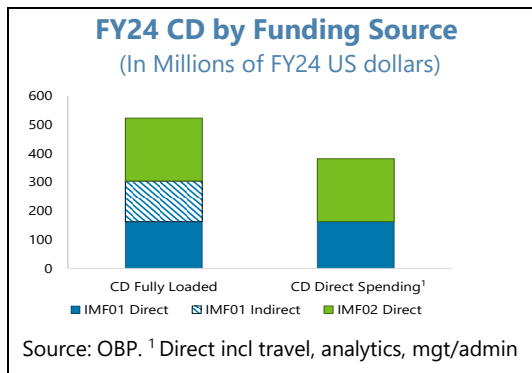
Overview. CD spending, including related corporate overheads, represents 32 percent of total Fund spending. This funding is split 59/41 percent between Fund and external resources, with overheads largely covered by Fund financing. The ratio including only direct costs (including management and administration) is 43/57.

FY24. Direct spending (excluding Fund-wide overheads) is expected to reach \$380 million in FY24, 4.0 percent higher than FY23 and 1.7 percent higher than pre-crisis levels (FY19), with overall utilization of 90 percent. Fund-financed direct spending is projected at \$163 million, a 3.8 percent increase from FY23, with 95 percent utilization. Externally financed CD grew to \$217 million, up 4.1 percent, with 87 percent utilization. While staff continue to use virtual delivery actively, the share of in-person delivery has increased to about 60 percent, driving up travel spending. Including related overhead costs, spending will total \$523 million, about 1/3 of overall activity, about the same as FY23.

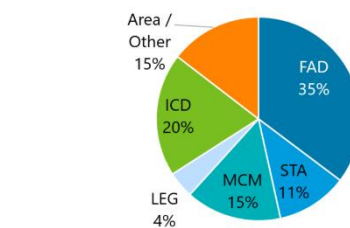
FY25. The overall CD budget envelope will increase in FY25, given a) allocation of remaining augmentation resources, of which a total of 25 percent supports CD and b) a \$15 million increase in the externally financed spending limit linked to the third installment of the parallel IMF02 increase approved at the time of the augmentation and one-off resourcing related to IMF02 field facilities costs, including establishment of the new regional office in Saudi Arabia and a move of the SARTTAC facilities. Spending of external resources for FY25 is projected at \$232 million, \$13 million above FY24.

Composition

- **Regional distribution.** FY25 will see CD growth in all regions. Shares will increase in MCD, partly driven by the new regional office in Saudi Arabia and increased allocation to FCS, and in EUR, with anticipated ramp-up of CD support to Ukraine.
- **Workstreams.** CD delivery will continue to focus on traditional areas—fiscal, monetary policy and financial system stability, debt, and statistics—with a continued increase of spending on climate, governance, gender, and digitalization.



FY25 CD Budget by Department



D. Budget by Department

21. This section presents a breakdown of distribution of Fund-financed resources by department, with figures providing a breakdown of real changes. (Figure 17 and Tables 9-10). Recognizing the limited net resourcing for the general budget, a small number of departments see small net increases in overall resourcing, while others see flat real resources, albeit with a substitution of structural for temporary resourcing. A few departments (CSF, OIA, TRM and small offices) see small net declines in their dollar budgets, driven by expiring temporary resources. A few departments (RES, OIA) see a net reduction in FTEs, linked with expiration of specific positions provided on a temporary basis with other resourcing flat. Allocations reflect a number of factors, including a focus on direct engagement with the membership and taking into account the existing resource base and changes over time, including during the crisis/augmentation period.

- **Area departments**—\$5.3 million overall real increase in FY25 relative to FY24 (1.4 percent), including \$12.5 million from augmentation. **AFR** will focus on program work, deepening engagement through UCT/RSF programs and with FCS while linking its work agenda to South Africa’s G20 presidency. **APD** will support demand for Fund financing and intensive surveillance in the region, stepping up engagement with vulnerable countries (e.g., small islands). **EUR** will focus on program work and intensive surveillance in countries facing crisis situations or high vulnerabilities and center the analytical agenda on monetary policy transmission and fiscal pressures. **MCD** will address a rapid surge in demand, including from FCS, given the highly complex situation facing the region, with intensified conflicts, volatile commodity prices, and more frequent natural disasters. **WHD** will provide financial support to help countries address balance-of-payments needs exposed by exogenous shifts or in their adjustment to accumulated imbalances; support members to build resilience to climate change including by deploying new RSF programs; and step-up capacity development to help countries respond to pressing socio-economic challenges.
- **Non-CD functional departments**—\$1.3 million overall real increase in FY25 relative to FY24 (0.6 percent), including \$5.9 million from augmentation. **FIN** will focus on the review of the concessional lending toolkit and mobilizing concessional resources; implementation of the 16th General Quota and work on quota realignment; securing Fund’s access to borrowed GRA resources; and supporting administration of higher staff and field presence. **RES** will lead analytical work on addressing challenges to the global economy amid deepening fragmentation and develop modeling tools to assess macro policies, operationalize the IPF, and examine energy transition impacts and climate adaptation needs. **SPR** will concentrate on supporting countries with financial arrangements (including through the RSF); reviewing Fund policies (e.g., RST, PRGT, access limits, surcharges, conditionality); debt work; delivering analytical work on key issues including the global financial safety net, and artificial intelligence; and leading Fund’s engagement with various forums to seek global cooperation in an increasingly fragmented world. **COM** will focus on strategically aligning the Fund’s messages with institutional priorities, including addressing the difficult global context, work to adapt the Fund’s policies and toolkit to meet the evolving needs of member countries, increased program

work and support to vulnerable countries, and supporting the Fund's call for global cooperation (including on debt and transformational reforms, and countering fragmentation pressures).

- CD departments**—\$1.4 million overall real increase in FY25 relative to FY24 (0.4 percent), including \$8.6 million from augmentation. **FAD** will help strengthening fiscal institutions and capacity to design and implement appropriate fiscal policies, including under the RSF, prioritizing program countries and FCS. The Global Public Finance Partnership will support responsive and agile fiscal CD. **ICD** will prioritize CD delivery to FCS and small developing states, update the external and internal training curricula, and focus on the implementation of the 2023 CD Strategy Review recommendations. **LEG** will support members on financial and fiscal law, anti-corruption and the rule of law, anti-money laundering and combating the financing of terrorism (AML/CFT), and in the priority areas of climate, digital money, and gender, while continuing to provide legal advice on a range of Fund's policy matters. **MCM** will help countries navigate the impact of higher-for-longer interest rates on public financing cost and global financial stability, and capital flow volatility through tailored policy advice, in-depth systemic risk analysis, multilateral surveillance, and support to crisis countries. **STA** will accelerate efforts to update statistical manuals and strengthen the Fund's data portfolio management, governance, and privacy policies essential for effective surveillance, capacity development, and program lending.
- Corporate functions**—\$0.1 million overall real decline in FY25 relative to FY24 (broadly unchanged), with \$3.3 million from augmentation and a \$3.4 million decline in temporary resourcing. **CSF** will help adapt the Fund's facilities, services, and operations to accommodate staff growth and hybrid work, integrating innovation and market best practices. **HRD** will support institutional change stemming from the Institutional Safeguards Review, planning for the compensation and benefits review, and improvements to HR operations through enhancement of skills and ongoing work on stabilization of processes and technology. **ITD** will focus on prioritizing and sequencing its proposals for their Business Technology Strategy with an aim to improve service delivery through strengthened capabilities and operations, while increasing efficiency and continuing to improve the cybersecurity posture. **SEC** will contribute to key institutional priorities (including completion of complex program and policy reviews, implementation of the 16th General Review of Quotas, creation of the 25th Board Chair), support the Board in implementing the new strategic planning cycle, and ongoing efforts to strengthen internal governance and efficiency of Board operations. **TRM** will continue to support IT-intensive capital projects and modernization programs, strengthen knowledge management, and support innovation efforts.

22. Augmentation resources (Figure 18). In line with the augmentation framework, the allocation of the last year of augmentation resources is tilted towards direct country support. Funds to AFR and MCD will mainly focus on FCS, while resources to FAD and MCM reflect their roles in climate, digital money, and macrofinancial surveillance. Resourcing for support departments relate to service provision to the additional workforce.

Table 9. Fund-Financed Budget Adjustments by Department, FY24-25

(Millions of FY24 US dollars, unless otherwise noted)

Departments	FY24 Budget				FY25 Proposed Budget				Percent Change	
	of which			Total	of which			Total	FY24-25	FY20-25
	Structural	Augm.	Temporary		Structural	Augm.	Temporary			
Area	365.0	15.4	19.0	384.0	377.5	28.0	11.7	389.2	1.4	11.4
AFR	111.0	5.5	5.4	116.4	114.2	8.7	2.2	116.5	0.0	12.7
APD	55.8	3.3	3.5	59.3	58.8	6.3	2.4	61.2	3.3	15.6
EUR	77.4	1.3	3.0	80.4	79.1	3.0	2.7	81.8	1.7	1.6
MCD	63.6	3.1	2.7	66.3	65.9	5.4	1.3	67.2	1.4	15.7
WHD	57.2	2.3	4.4	61.6	59.5	4.6	3.0	62.5	1.6	15.1
Functional Non-CD	210.2	10.7	12.8	223.0	216.7	16.6	7.6	224.3	0.6	20.7
COM	44.6	1.9	1.2	45.8	44.8	2.2	1.2	46.0	0.4	6.4
FIN	48.5	0.2	3.8	52.4	50.6	1.7	2.7	53.3	1.8	31.4
RES	42.9	2.6	2.3	45.2	44.1	3.8	1.1	45.2	0.0	17.4
SPR	74.2	6.0	5.5	79.6	77.2	9.0	2.7	79.9	0.3	25.7
Functional CD	332.4	18.8	13.0	345.4	341.2	27.4	5.5	346.8	0.4	12.2
FAD	72.8	5.7	6.1	78.8	75.8	8.7	3.0	78.8	0.0	12.9
ICD	55.0	1.9	1.1	56.1	56.1	3.1	0.0	56.1	0.0	4.6
LEG	36.6	1.8	2.7	39.3	38.5	3.3	1.5	40.0	1.6	23.7
MCM	106.1	7.0	2.0	108.1	108.1	8.9	0.1	108.1	0.0	11.6
STA	61.9	2.4	1.1	63.0	62.7	3.3	1.0	63.7	1.2	12.9
Support	338.9	5.5	18.0	356.9	342.2	8.8	14.7	356.8	0.0	7.1
CSF	116.9	1.2	2.5	119.4	118.2	2.5	1.1	119.3	-0.1	0.9
HRD	49.2	2.0	8.1	57.4	50.5	3.2	7.2	57.7	0.6	12.0
ITD	118.4	1.3	2.2	120.6	118.6	1.5	2.2	120.8	0.2	3.7
OBP	6.4	0.0	0.6	7.1	6.4	-	0.6	7.1	0.0	22.8
OIA	6.4	0.0	0.9	7.4	6.4	-	0.4	6.9	-6.4	18.0
ORM	5.1	0.0	1.1	6.2	5.1	-	1.1	6.2	0.0	72.2
SEC	27.4	1.1	0.7	28.1	27.9	1.5	0.3	28.2	0.2	5.9
TRM	8.9	0.0	1.9	10.8	8.9	-	1.8	10.7	-1.1	114.3
Small Offices	19.3	-	1.5	20.8	19.3	-	1.2	20.5	-1.4	19.3
Center¹	32.3	-	3.3	35.7	33.3	-	3.0	36.3	-	-
Other	105.7	-	0.0	105.7	114.2	-	0.0	114.2	8.0	4.3
of which OED	85.1	-	0.0	85.1	93.6	-	0.0	93.6	10.0	6.6
Annual Meetings²	7.0	-	-	7.0	-	-	-	-	-	-
Total	1,410.9	53.3	67.6	1,478.5	1,444.4	82.3	43.7	1,488.2	0.7	7.7
of which structural									2.2	6.6
of which temporary									-35.3	46.1
Central Resources			-67.6		-3.0		-43.7			
Grand Total³	1,410.9	53.3	0.0	1,410.9	1,441.4	82.3	0.0	1,441.4		

Source: OBP. APD and EUR include OAP and EUO, respectively (included in small offices previously). Other includes OED, IEO, and central HR programs. ¹ Includes a structural reserve. ² \$5 million for Fund general budget and \$2 million for OED budget. ³ Net administrative budget.

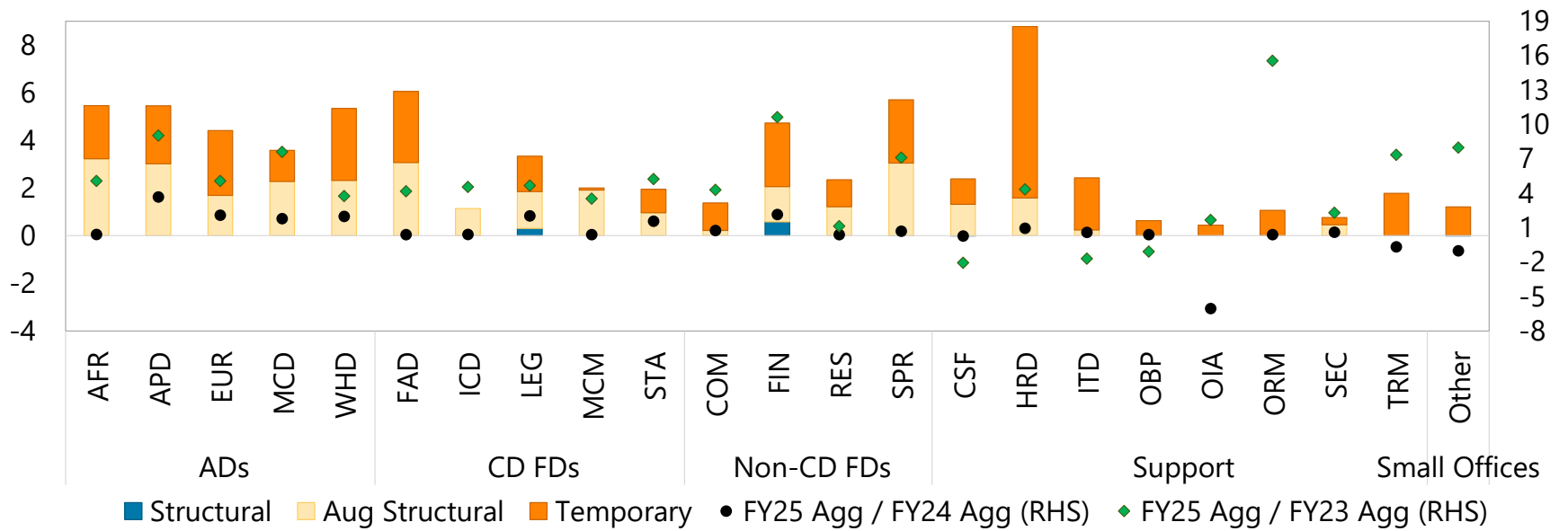
Table 10. FTE Changes by Department, FY24–25

Departments	FY24 Budget				FY25 Proposed Budget				Percent Change	
	Structural	of which Augm.	Temporary Allocations	Total	Structural	of which Augm.	Temporary	Total	FY24-25	FY20-25
Area	824	33	41	865	850	59	24	874	1.0	9.4
AFR	239	10	14	252	247	19	6	253	0.2	12.0
APD	124	7	7	131	130	13	5	134	2.7	14.3
EUR	179	4	6	185	183	8	5	188	1.6	0.2
MCD	143	6	5	148	146	9	2	148	-	10.5
WHD	139	6	10	149	144	11	7	151	1.3	12.7
Functional Non-CD	563	30	32	596	584	49	13	598	0.3	19.3
COM	96	4	1	97	97	5	0	97	0.5	7.8
FIN	142	1	12	154	149	6	7	156	1.3	22.9
RES	120	8	6	126	124	11	2	125	-0.8	15.2
SPR	206	17	14	220	215	27	5	220	0.2	25.0
Functional CD	787	45	26	813	809	60	12	821	1.1	12.7
FAD	180	14	9	189	185	19	6	191	1.2	18.1
ICD	133	4	3	136	136	7	0	136	-	6.4
LEG	94	6	8	101	99	10	5	103	2.0	24.1
MCM	248	19	6	254	258	22	0	258	1.4	16.8
STA	131	3	1	132	131	3	2	133	0.8	-1.5
Support	594	12	19	613	601	17	15	616	0.5	12.7
CSF	166	2	2	168	168	2	0	168	0.3	3.7
HRD	121	4	8	129	124	7	8	132	2.2	13.6
ITD	159	2	0	159	159	2	0	159	-	7.4
OBP	19	0	1	20	19	0	1	20	1.5	27.4
OIA	19	0	1	20	19	0	0	19	-5.0	18.8
ORM	17	0	2	19	17	0	2	19	-	90.0
SEC	70	4	3	73	72	6	1	73	-	9.8
TRM	23	0	2	25	23	0	3	26	2.4	116.7
Small Offices	61	0	0	61	61	0	0	61	0.0	37.1
Other	261	0	0	261	296	0	0	296	13.4	6.9
Total (excl. donor financed)	3,089	119	118	3,207	3,201	185	65	3,265	1.8	11.8
Donor financed	109	-	-	109	126	-	-	126	15.3	38.2
Grand Total	3,198	119	118	3,316	3,327	185	65	3,391	1.8	12.6

Source: OBP. APD and EUR include OAP and EUO, respectively (included in small offices previously). Other includes OED, IEO, and central HR programs. In addition to the amounts shown in the table, voluntary transfers of positions/roles from SPR to COM (1 FTE), ICD TO SPR (1 FTE), and TRM to ITD (1 FTE) to be incorporated in final FY25 budget reconciliation.

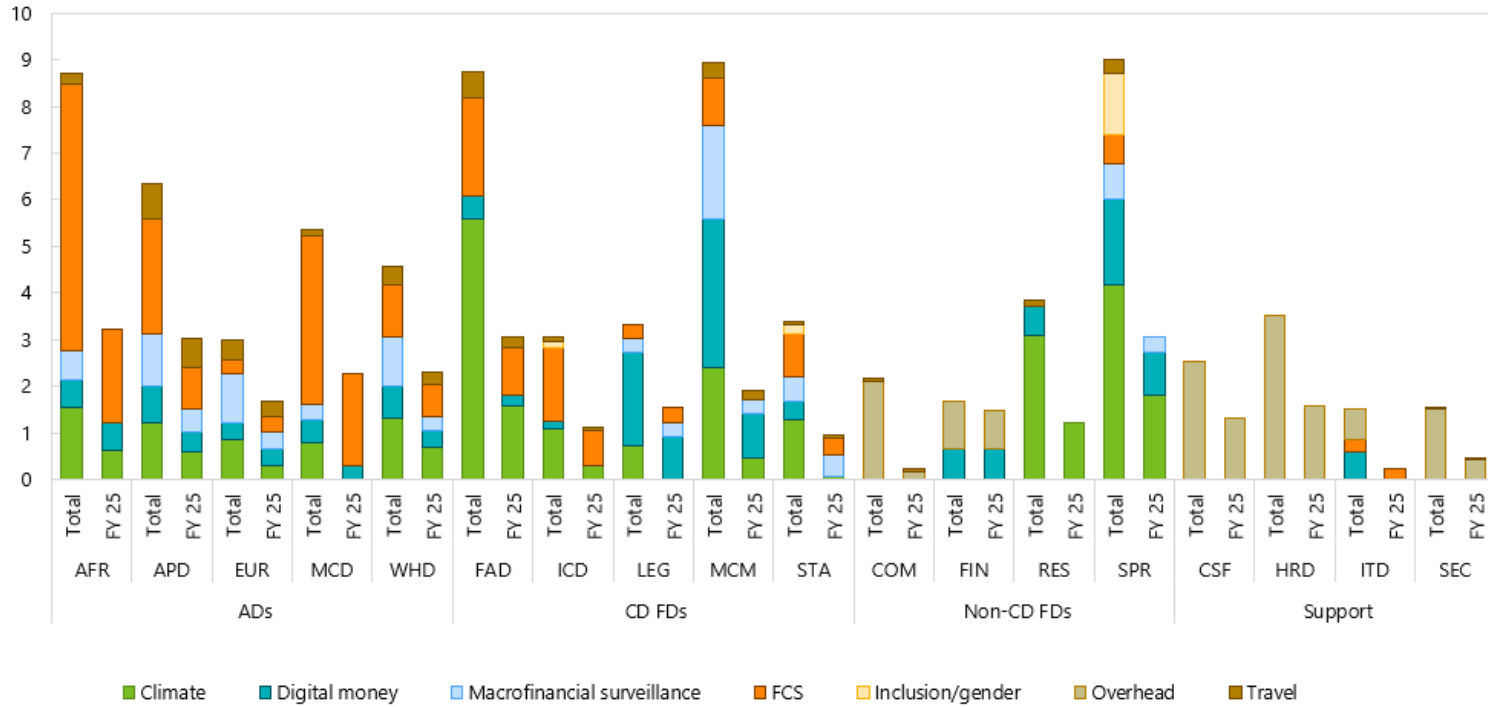
Figure 17. FY25 Budget Allocations by Department

(Millions of FY24 US dollars, In Percent (RHS))



Source: OBP. Temporary resources in the bar include renewals from FY24. FY25 Agg/ Pre-crisis for ORM (73.3%) and TRM (114%)

Figure 18. FY23-25 Augmentation Allocation by Department and Issue Area
(Millions of FY24 US dollars)

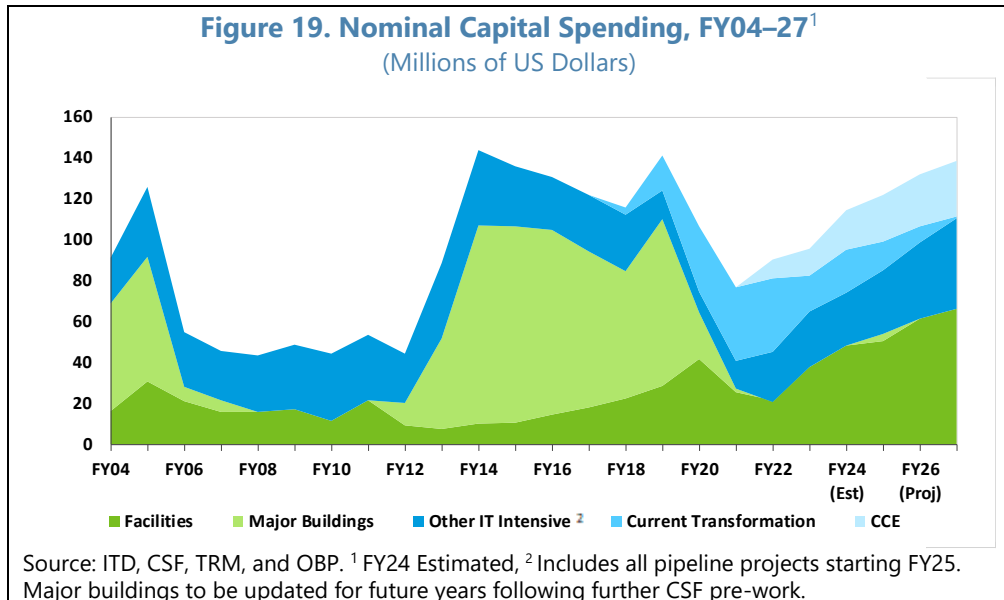


Source: OBP

SECTION V. CAPITAL BUDGET

A. FY24 Capital Spending

23. FY24 Capital spending is estimated at \$114.7 million, relative to an outturn of \$95.2 million in FY23, including \$95.2 million in direct capital spending and \$19.5 million in cloud-related licenses (Figure 19, Table 11). FY24 Total available resources are \$153.1 million, reflecting the three-year availability of capital funding.



- Facilities.** Spending is estimated at \$48.3 million in FY24, against \$74.6 million in available resources. This reflects a 27 percent nominal increase (\$38.0 million) versus FY23, driven by work to standardize office sizes and improvements in the supply-chain and construction management capacity following the pandemic. Unexpected supply chain delays in major infrastructure projects late in the year will increase carryforward into FY25 relative to earlier estimates.

Table 11. Nominal Capital Expenditures, FY23–24¹
(Millions of US Dollars)

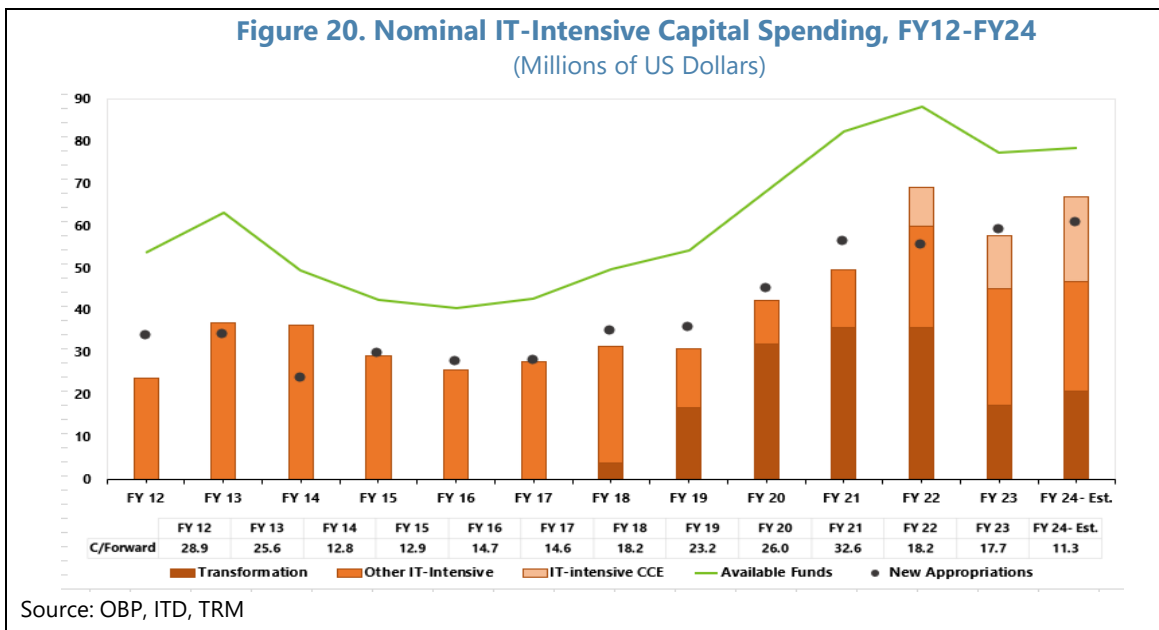
	Spending		FY24 Avail.
	FY23	FY24 (Est.)	
Total Capital	95.2	114.7	153.1
Facilities	38.0	48.3	74.6
New Investments	12.0	25.9	42.2
Lifecycle replac. & repairs	26.0	22.4	32.2
IT-Intensive (Direct + Cloud)	57.2	66.4	78.5
Direct Capital Investments	44.5	46.9	58.2
Transformation	17.0	21.0	27.5
New Investments	14.5	16.3	20.7
Infrastructure end-of-life	13.0	9.6	10.0
Cloud Capital Equivalent	12.7	19.5	20.3

Source: ITD, CSF, TRM, OBP. ¹ Approved funds available for 3 yrs.

- Lifecycle projects** spending is estimated at \$22.4 million. This includes multi-year large-scale projects to replace and refurbish HQ1 building systems that had not yet reached end-of-useful life when HQ1 renewal was completed in 2019 (e.g., chillers, backup generator,

substations, elevator modernization), as well as updates of audiovisual (AV) systems and equipment. Other projects include accessibility improvements for HQ1 restrooms; security improvements; sidewalk and exterior lighting replacements; and mechanical, electrical, and plumbing repairs and maintenance.

- Estimated spending for other **new investments** is \$25.9 million. This includes investments to implement a new office space standard, workplace redesign, and space reconfigurations necessary to accommodate staff growth within finite HQ space. Other projects enable the Fund’s field presence, including opening of new field offices, expansion and relocation of existing offices, and field office condition assessments to ensure that offices remain fit for purpose and provide a safe working environment.
- **IT-intensive capital.** Outturn is projected at \$46.9 million versus available resources of \$58.2 million in FY24 and a \$44.5 million outturn in FY23. The higher estimated spending stems from increased project execution and is reflective of both price and volume effects. Approximately \$11.3 million (versus \$17.7 million last year) in unused funding from prior years is expected to be available in FY25. Improvements have been implemented during the year to the portfolio prioritization and monitoring processes, especially considering the strong pipeline of continuing demand and shrinking carryforward levels (Box 7).
- **Transformation projects.** FY24 spending is estimated at \$21.0million (compared to \$17.0 million in FY23), with a continued focus on planning and implementing current modernization projects.
- **Other projects.** Other IT investments and infrastructure end-of-life projects are at \$25.9 million (versus \$27.5 million in FY23) with 10 projects implemented during the year. This includes the upgrade of the core banking system, RST implementation, implementation of a new procurement system (PRISM), in addition to other cybersecurity and hybrid-related needs.



Box 7. Improvements to IT-Intensive Capital Portfolio Prioritization and Monitoring

- Annual IT-intensive capital budgets have risen from \$34m in FY12 to \$61m in FY24, supporting both direct spending (including ramp-up in modernization efforts since FY18) and cloud adoption. In light of significant underinvestment historically, there is a strong pipeline of pent-up and new demands seeking to address technical debt and cybersecurity needs, as well as investments in new capabilities. The forthcoming Business Technology Strategy will set out key issues in a medium-term context.
- Recent spending increases reflect large-scale transformation initiatives and increased project execution rates. With available resources fully allocated, carryforward is projected to decline this year, implying lower buffers in future years for unforeseen contingencies.
- Rising cloud costs need to be accommodated within available space, requiring active management to avoid excessively rapid growth. Mitigations are also underway to address these crowding out risks, including a more deliberate strategy around which applications should be moved to cloud platforms; systematic monitoring; and optimization of cloud contracts and licenses.
- The framework for portfolio prioritization and monitoring has been strengthened through a collaboration between ITD, TRM and OBP, with endorsement by the CBIT. The new framework is being used to assess IT-intensive proposals within a medium-term planning context and will provide a more consistent and transparent approach for assessing and prioritizing investments with clearer accountability for decision-making and regular review by the CBIT. Strengthened elaboration of the medium-term project pipeline with clearer assessment parameters also support better project preparation and sequencing, as well as medium-term budget projections.

- **Cloud Capital Equivalent (CCE).** Cloud license spending in FY24 is expected to be \$19.5 million, relative to \$20.3 million budgeted this year and \$15 million budgeted in FY23. Apart from close monitoring to optimize spending, ITD is also updating its cloud strategy to address the rapid rise in cloud costs, which reflects both the scaling up of cloud-supported systems in recent years (in line with industry practice) as well as pricing pressures.

B. FY25 Capital Budget

24. Proposed budget (Table 12). The proposed FY25 capital envelope is \$117.1 million (real FY24 terms), including CCE, an 8.2 percent real increase relative to \$108.2 million in FY24 and \$110.1 million projected for FY25 in the FY24-26 Medium-term Budget.

- **Facilities.** The budget totals \$51.9 million, \$4.5 million higher than FY24 and in line with the projection for FY25 in last year's budget. The investments will support continued lifecycle replacements and increased HQ space use efficiency to accommodate higher headcount (Box 8). With an estimated carryover of \$26.3 million, the total available funds in FY25 will be \$80.3 million, a 8 percent reduction relative to FY24 reflecting the pickup in construction activity following the pandemic.
- The FY25 proposal includes \$22.2 million for **lifecycle replacements**. \$18.1 million supports continued work towards replacement and refurbishments of large HQ1 building systems. Lifecycle replacements also include AV funding needs of \$3.0 million, which will supplement

an estimated \$4.3 million carryover of previously appropriated funds, to update equipment and systems in the Executive Board Committee Room, the main Studio, Cedar Hall, and other meeting rooms. Other lifecycle-related projects include funding for field office condition assessments and maintenance investments at the Concordia.

- **New investments** of \$25.4 million comprise HQ-related funding of \$19.1 million and field-related funding of \$6.3 million. HQ investments are designed to accommodate staff growth, which avoids the need to lease additional office space (Box 8). In FY25, this work program will include most of the construction to complete the project to reduce the size of B-level offices (\$11m) and create new touchdown spaces (\$1.2m). The capital request also includes \$1.0 million for minor space reconfigurations for the 25th Chair and for furniture and fixtures to accommodate OED staff growth in the near term (Box 8). The expansion of the Fund’s field presence entails costs to establish new offices and to relocate offices and residences to larger or sometimes more secure premises.

Table 12. Medium-Term Capital Budget, FY24–27

(Millions of US Dollars)

	FY24 Real	FY25 Real	FY25 Real	FY25 Nominal	FY26 Real	FY26 Nominal	FY27 Real	FY27 Nominal
	Approved	Projected in FY24-26 MTB	Proposed		Indicative		Indicative	
Total	108.2	110.1	117.1	121.9	123.6	132.2	126.9	138.7
Building Facilities	47.4	51.0	51.9	54.0	57.4	61.4	60.6	66.2
Lifecycle replacements and repairs	33.7	33.4	22.2	23.1	37.2	39.8	35.0	38.2
HQ1/HQ2/Concordia	31.4	28.4	19.2	20.0	29.5	31.6	27.5	30.0
Audio-visual	2.3	5.0	3.0	3.1	7.7	8.2	7.5	8.2
New Investments	12.8	15.6	25.4	26.4	19.1	20.4	24.6	26.9
Field Offices	5.0	5.0	6.3	6.5	6.3	6.7	6.3	6.8
Vehicles	1.0	2.0	1.0	1.0	1.1	1.2	1.0	1.1
Major Buildings	...	...	3.3	3.4	...	...	...	...
IT-Intensive (Direct + Cloud)	60.8	59.1	65.2	67.9	66.2	70.8	66.3	72.5
Direct Capital Investments	40.5	36.2	43.2	45.0	42.2	45.2	41.3	45.1
Current Projects (as of Feb 2024)	27.3	...	27.0	28.1	12.1	12.9	1.2	1.3
Transformation	18.0	...	13.3	13.8	7.2	7.7	0.6	0.7
Security	3.0	...	1.6	1.7	0.0	0.0	0.0	0.0
Other Investments	6.3	...	12.1	12.5	4.9	5.3	0.6	0.6
New Projects	4.7	...	7.6	8.0	22.1	23.7	32.1	35.1
Infrastructure end-of-life	8.5	...	8.6	9.0	8.0	8.6	8.0	8.7
Cloud Capital Equivalent	20.3	22.9	22.0	22.9	24.0	25.7	25.0	27.3

Source: ITD, CSF, TRM, and OBP. Note: Figures may not add to totals due to rounding. Major building expenditures, beyond preplanning, and their timeline will be set out in future budgets.

- **Major buildings.** The FY25 budget request also includes \$3.3 million to begin pre-planning work related to renovation and refurbishment of the HQ2 building and amenities. These funds will be used to assess and validate the back-of-house mechanical replacement timeline, support targeted design pilots, and assess project costs, schedule, and required

resources and project risk mitigation strategies. Appropriation needs beyond the initial diagnostic and pre-planning work will be included in future budget cycles, with separate reporting to the Board by CSF (Box 9. Major Buildings).

Box 8. Space Management

A new space strategy was adopted in March 2023 to accommodate recent personnel growth within the finite footprint of the Fund's two HQ buildings and to address changing needs under a new hybrid workplace, without resorting to leasing of additional office space. The new strategy introduces a standardized single office size across the HQ campus for staff and increases flexibility by creating touchdown spaces, smart lockers, and a reverse hoteling system that is designed to make temporarily vacant offices available for others to reserve and use. The new spaces and technology solutions aim to help drive more efficient use of Fund buildings within the context of hybrid work.

By end-FY24, about 50 percent of the projects will have been implemented, with the aim to complete most of the remaining work in FY25. In all, the new space strategy is expected to increase the number of offices by 350 and touchdown spaces by 100. Together, this represents a 9 percent increase in available workstations. In addition, 90 new meeting rooms have been created. The number of professional-level staff required to share offices will decline by two-thirds to under 300, with cost avoidance for external lease cost of about \$18-20 million per year.

A space strategy will need to be developed and costed for the creation of the 25th Executive Board Chair and the planned staffing increase in Offices of Executive Directors. With no available existing space on these floors, a planning and consultation process is required to understand the needs and develop options.

Box 9. Major Buildings

The need for a refresh to the Fund's HQ2 building was highlighted as part of long-term capital plans presented in previous budget papers. While the initial timing (beginning FY25) was in line with industry standards based on the age of the building and back-of-house systems (20 years), a comprehensive updated assessment will provide assurances on the required timelines for replacement. The FY25 budget includes resources for pre-planning work to better assess the building conditions and timelines for the project.

While driven by needed replacement of aging mechanical systems, the project will be designed considering changes in how the Fund works and convenes its membership, and the need to drive further efficiency gains in facilities management and energy usage. It will likely encompass lifecycle replacements to maintain HQ2 systems, changes that allow more flexible space use, and upgrades to common and auxiliary spaces.

The project will draw on lessons learned from past major buildings projects, with strong governance and oversight functions, a separate budget appropriation against a detailed project plan, and regular engagement with and updates to the Board during both project planning and execution. Additional information on project planning will be provided by CSF in the Fall of 2024.

- **IT-intensive capital.** The proposed IT-intensive capital budget is \$65.2 million, including CCE, versus \$60.8 million in FY24 (7 percent real increase). The proposal considers near-term demands from current projects and a strong pipeline of medium-term demand. Within this envelope, transformation investments focus largely on completing in-train projects. HR modernization, currently in the planning stage will be funded from available resources within the overall FY25 IT-intensive capital envelope. Other potential new investments include projects

in areas of information security, financial and training systems, and other critical business systems and lifecycle replacements.

- **Transformation projects** (\$13.3 million for current projects): The focus for FY25 will remain on implementing the ongoing projects and ensuring a robust assessment of business needs, delivery capacity, and project readiness (Table 13). Details on specific projects, will be provided as part of the forthcoming Modernization update in May 2024.

Table 13. Estimated Capital Needs for Key Modernization Projects, Nominal, FY24-25
(Millions of US dollars)

	Overall Project				FY 24	FY 25	
	Total Estimated Project Cost	Approved to date	Estimated spend to date (end FY24)	Approved resources remaining	Est. FY24 outturn	Est. Spend Real	Est. Spend Current
Key Modernization	87.5	87.5	65.2	22.2	20.9	13.3	13.8
Nexus	25.8	25.8	25.1	0.7	5.4	0.7	0.7
iData	31.9	31.9	28.1	3.8	10.8	3.7	3.8
HR Modernization	5.2	5.2	3.4	1.8	2.5	1.4	1.5
CCBR-Related Pension Updates	3.1	3.1	2.4	0.7	1.5	0.5	0.5
Dual System Plan	2.1	2.1	1.0	1.1	1.0	0.9	1.0
IDW-Related Modules	24.5	24.5	8.6	15.9	2.2	7.4	7.7
Intranet	10.7	10.7	2.6	8.1	1.5	4.5	4.6
CRS-Common Review System ¹	9.0	9.0	1.4	7.6	0.7	2.9	3.1
IDW-Initial Scoping	4.9	4.9	4.6	0.2	0.0	0.0	0.0

Source: TRM; ITD. ¹ Scoping included. Figures may not add to totals due to rounding. HR Modernization excludes costs related to 1HR.

- **Nexus**, sponsored by TRM-KMU, will replace the Fund’s document management platform, with two small releases delivered in November 2021 and August 2022. The final Fund-wide release was deployed in March and is in hypercare support and stabilization. Actions were taken to minimize the schedule and cost impact of delays due to critical security risks as well as persistent vendor-related data migration quality issues, as outlined in the last Modernization update from summer 2023 and with eDoc continuing to operate as a legacy system.
- **iData**, which modernizes the Fund's economic data management and dissemination systems, saw implementation progress during FY24, including data migration and the establishment of iData as the system of record for production of six datasets, parallel runs for the WEO and release of the dissemination system into production. The report on updated project costs was provided to the Board in the last Modernization update. The program is scheduled for completion in FY25.
- **CRS-Common Review System** will provide for a common interdepartmental review process facilitating more consistent and accessible documentation and increased transparency. The project kicked off in FY24 with work underway to obtain stakeholder feedback on a clickable user experience prototype, and continued engagement on

business requirements, stakeholder analysis, communication plans, and information security requirements. The project is scheduled for completion by end-FY26.

- An **Intranet** project aims to deliver a modern Intranet that aligns with the Fund’s new ways of working, supports internal communications, and promotes knowledge sharing. The project completed scoping work and development of a to-be model, with implementation commencing in FY24 Q3 and planned completion by end FY26.
- **HR Modernization:** Following formal close-out of the 1HR program, the HR modernization program team within HRD is working on a framework for the remaining work, in close coordination with ITD and FIN and with support from TRM. The near-term focus will be to improve existing functionality and business processes, with initial work continuing on broader Digital HR planning.
- **Other new investment** funding in FY25 totals \$13.7 million for current projects, including \$1.6 million in information security investments. Other projects include automation for the lending system, SWIFT, the Fund Integrated Training System (FITS), and Data Privacy. \$7.6 million is provided for new projects to be prioritized during the year. Potential investments include revamping IMF.org, next-stage Identity and Access Management improvements, Artificial Intelligence (AI) pilots, implementation of recommendations of the OIA review of CDMAP, and ongoing modernization of budget systems. Proposals will be discussed with the CBIT on an ongoing basis.
- **Lifecycle replacements and IT infrastructure** total \$8.6 million. In addition to funding upgrades for network equipment, servers, and storage capacity, these investments will fund end-user equipment such as Fund laptops and conference room equipment to support hybrid work, considering staff growth.
- **CCE.** Cloud costs are projected to increase to \$22.0 million, in line with the FY24 estimate. \$0.4 million in cost avoidance through streamlining was implemented during the year.

25. Medium-term. Major building investments for HQ2 will be included in subsequent cycles, informed by the early diagnostic and planning work in the coming period. Large HQ1 building systems and AV equipment lifecycle projects will continue through FY26, with investments to update security equipment and refurbish the Concordia in FY27. New investments will focus on several common and auxiliary areas such as the HQ1 auditorium, HQ1 virtual mission suite, fitness and wellness rooms, and improvements of leased out spaces. IT-intensive investments will be informed by the forthcoming Business Technology Strategy (BTS) and road-mapping process, complemented by the strengthened prioritization framework, which will provide a structured assessment of business needs, priorities, and delivery capacity. An update on the BTS to the Board is planned for early FY25.

SECTION VI. RISKS

26. Budget risks.

Consistent with the Enterprise Risk framework, OBP staff conducted a risk self-assessment to identify and assess enterprise risks in the context of the FY25-27 Medium-term Budget (Figure 21, Table 14). The assessment recognizes that while risk mitigation activities are embedded in the budget, significant residual risk related to external drivers can only be partially mitigated.

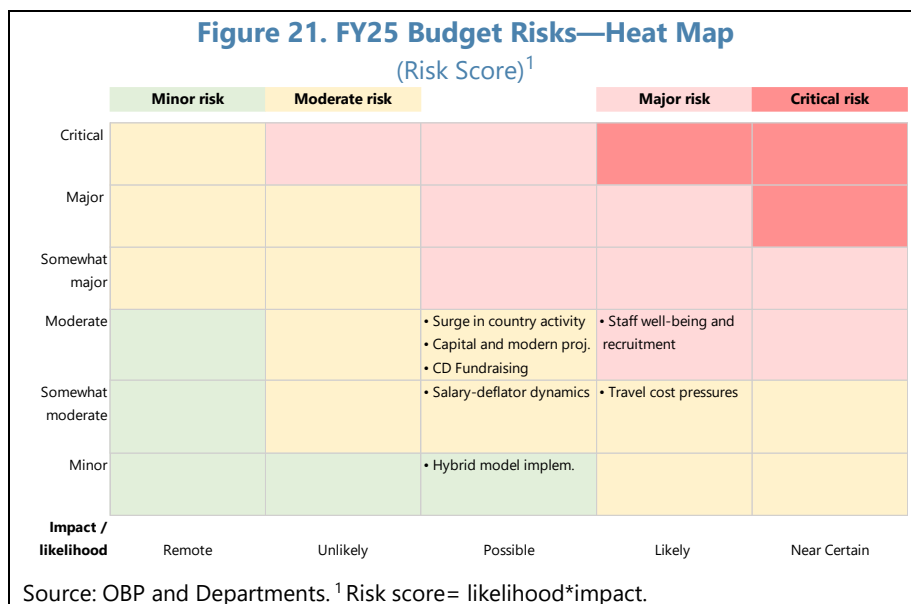


Table 14. Enterprise Risk Self-Assessment for Medium-Term Budget

Risk	Risk Description	Risk Mitigation	Residual Risk Assessment		
			Likelihood	Impact	Risk Score
Risks identified	Nature/root cause for the risk	Description of risk mitigation			
Member engagement	Increase in direct country activity. Demand for Fund services from member countries above the envisaged levels at the time of budget formulation would likely require postponement or cancellation of some activities within an already constrained resource base.	Continued rigorous reprioritization to create space and reduce work pressures, as well as transparent accountability structures that bring predictability to functional department support to country teams. A small central buffer is maintained to address urgent needs, albeit with constraints also in available human capital with the necessary expertise.	Possible	Moderate	Moderate
Human capital	Staff well-being and recruitment. Complex, expanding demands at a pace faster than the Fund can effectively absorb and difficulties attracting scarce skills could exacerbate work pressures.	Reprioritization to target resources to key pressure points, work by the Board’s Agenda and Procedures Committee to strengthen engagement on strategic prioritization, continued focus on strengthening recruitment pipelines for specialized skills, and progress in implementing the recommendations of the IMF’s Mental Health Strategy.	Likely	Moderate	Major

Table 14. Enterprise Risk Self-Assessment for Medium-Term Budget (concluded)

Risk	Risk Description	Risk Mitigation	Residual Risk Assessment		
			Likelihood	Impact	Risk Score
Risks identified	Nature/root cause for the risk	Description of risk mitigation			
Member engagement	CD funding. Risks to continuity of delivery and to prioritization that is inherent with external funding have been managed in the short term with a current buffer of more than two years' external CD funding and gradual increase in the flexibility of funding vehicles. However, shifts or decline in donor funding in the medium term for particular regions, RDCs, or topical areas could affect the Fund's ability to continue to deliver CD at a level consistent with the needs of members.	Continued diversification of the donor base, prefunding of IMF02 vehicles, and consolidation of smaller vehicles into larger, more flexible ones (such as the new Global Public Finance Partnership). Available IMF01 resources will continue to prioritize CD needs	Possible	Moderate	Moderate
Budget execution	Travel. Resumption of in-person missions and sustained high travel costs could drive pressure for higher-than-budgeted spending.	Focus travel resources on highest priority in person engagement. OBP will continue to provide regular reports to departments on travel prices, including exchange rate impacts	Likely	Some-what moderate	Moderate
Project risks	Hybrid model. With recurring expenditures absorbed through new investments and reprioritization, remaining operational risks are linked to challenges of adapting to the new model without reducing effectiveness.	Adoption of best practices, new technology, flexible space options; and optimization of in-person travel missions vis-à-vis virtual engagement.	Possible	Minor	Minor
Budget execution	Salary-deflator dynamics. The direct link between salary increases and calculation of the Fund's deflator was eliminated in FY21 as part of the 2019 Comprehensive Compensation and Benefits Review (CCBR); the differential between salary and deflator creates new risks.	Set aside as reserve the full differential when this results in net positive budget space so it could be used when dynamics shift and generate negative budget space, partially mitigating risks.	Possible	Some-what moderate	Moderate
Project risks	Capital and modernization Projects. Project implementation delays and cost overruns, coupled with reduced capital carryforward, growing cloud capital expenses, and needed replacement of obsolete infrastructure and applications will put pressures on the IT-intensive capital budget without robust prioritization and work on efficiencies.	Closer monitoring of broader capital execution as part of strengthened governance and organizational capacity to support IT-intensive capital investments; IT intensive capital portfolio review including prioritization and sequencing. Continued strengthening of capacity and efficiency.	Possible	Moderate	Moderate

SECTION VII. SUMMARY PROPOSAL FOR FY25

27. Within the total administrative appropriations, separate appropriations and expenditure ceilings are proposed for the Offices of the Executive Directors (OED), the Independent Evaluation Office (IEO), and other administrative expenditure in the Fund (Table 15). The capital budget is made up of building facilities, information technology, and IT cloud capital equivalent.

Table 15. Proposed Appropriations, Financial Year 2025

(Millions of US dollars, unless otherwise noted)

	General	OED	IEO	Total
Gross Fund-Financed Budget	1,518.2	115.5	8.1	1,641.8
Fund-Financed Net Administrative Budget	1,395.3	97.4	7.8	1,500.5
<i>of which</i>				
Annual augmentation	30.2	...	...	30.2
OED budget increase	...	8.8	...	8.8
General Receipts	46.2	1.5	...	47.7
<i>of which</i>				
RST	5.3	...	...	5.3
Temporary Resources	76.6	16.5	0.4	93.5
FY24 Fund financed carryforward (upper limit) ¹	65.8	16.5	0.4	82.7
Other Fund financed temporary resources ²	10.8	...	...	10.8
Gross Externally Financed Budget	283.4	...	...	283.4
Externally financed receipts ³	275.9	...	...	275.9
FY24 externally financed carryforward (upper limit)	7.5	...	...	7.5
Total Gross Administrative Envelope (upper limit)	1,801.6	115.5	8.1	1,925.2
Capital budget				121.9
Building facilities				54.0
Information Technology				45.0
Cloud Capital Equivalent				22.9
<i>Memorandum items:</i>				
Net administrative budget in mil. of FY24 dollars	1,340.4	93.6	7.5	1,441.4
Fund financed carryforward, upper limit (in percent) ⁴	5.0		5.0	n.a.
Externally financed carryforward, upper limit (in percent)	3.0			

Source: OBP. ¹ Actual carryforward is the lesser of underspend in the current year or the specified ratio (shown in the table) of the current year's net administrative budget. The precise amount will be determined when end-year financial books are closed. ² Other transitional resources indicate available resources from OED/IEO excess underspend above their carryforward limits. ³ Includes final tranche of the increase for externally funded CD linked to the structural transformation agenda. ⁴ The proposal reflects a decrease in the general carryforward limit from 6 to 5 percent. For OED, the carryforward limit is the greater of the maximum of 20 percent of the approved budget for each office and two REG2 FTEs. For IEO, this reflects the proposed carryforward limit of 5 percent.

Proposed Decisions

The following decisions, which may be adopted by a majority of the votes cast, are proposed for adoption by the Executive Board:

Decision 1. FY25 Administrative Budget

- A. Appropriations for net administrative expenditures for Financial Year 2025, including US\$30.2 million of the third and final tranche of the augmentation resources, are approved in the total amount of US\$1,500.5 million: (a) up to US\$97.4 million may be used for the administrative expenditures of the Offices of Executive Directors, (b) up to US\$7.8 million may be used for the administrative expenditures of the Independent Evaluation Office, and (c) up to US\$1,395.3 million may be used for the other administrative expenditures of the Fund.
- B. A limit on gross administrative expenditures in Financial Year 2025, including up to US\$5.3 million in receipts linked to the administration of the Resilience and Sustainability Trust (RST) and up to US\$15 million of the third and final tranche of the real increase in space for externally funded CD linked to expanded work on the structural transformation agenda is approved in the total amount of US\$1,925.2 million, with sub limits of (a) US\$115.5 million for the administrative expenditures of the Offices of Executive Directors, (b) US\$8.1 million for the administrative expenditures of the Independent Evaluation Office, and (c) US\$1,801.6 million for the other administrative expenditures of the Fund.
- C. The net and gross appropriations for set out in paragraphs A and B above, shall be increased to reflect any underspend from FY24 as follows:
- a. Amounts appropriated for net administrative expenditures for Financial Year 2024 that have not been spent by April 30, 2024 are authorized to be carried forward and used for

administrative expenditures in the Financial Year 2025 in a total amount of up to US\$82.7 million, with sub limits of (a) US\$16.5 million for the Offices of Executive Directors, (b) US\$0.4 million for the Independent Evaluation Office, and (c) US\$65.8 million for the other administrative expenditures of the Fund.

- b. The amounts for "other administrative expenditures of the Fund" and the "limit on gross administrative expenditures" for the Financial Year 2025 set out in paragraphs A and C above will be increased by the amount of (i) the OED excess underspend above the individual office carryforward limits and underspend from OED central resources from Financial Year 2024; and (ii) the IEO underspend above the carryforward limit.
- c. The amount for gross administrative expenditures and the sublimit on other administrative expenditures set out in paragraph B above, may be increased by up to US\$8.3 million from any externally funded carry forward.
- d. The amount of any underspend or carryforward with respect to expenditures authorized for the Financial Year 2024 under a, b, c above shall be determined in the Financial Year 2024 year-end closure of the Fund's financial books.

Decision 2. Capital Budget Appropriations for Financial Year 2025

Appropriations for capital projects underway or beginning in Financial Year 2025 are approved in the total amount of US\$121.9 million and are applied to the following project categories:

- (i) Building Facilities: US\$54 million
- (ii) Information Technology: US\$45 million
- (iii) IT Cloud Capital Equivalent: US\$22.9 million

Annex I. Budget Process Overview

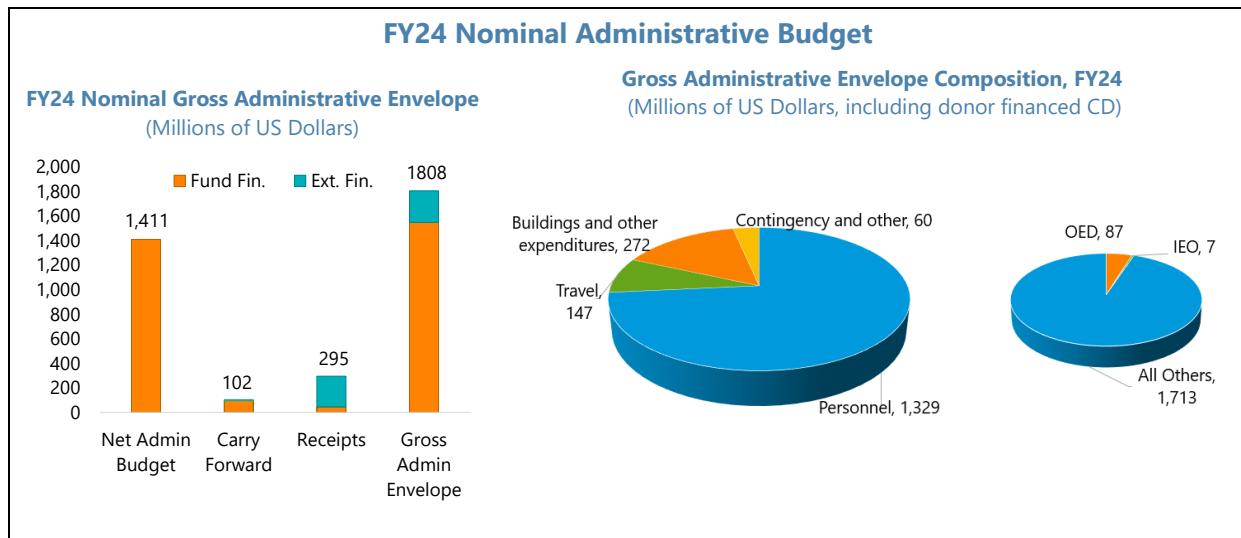
A. Overview of the Budget Process

1. The budget process begins with the membership’s priorities as expressed in the Managing Director’s Global Policy Agenda, the IMFC Communiqué. The budget translates these priorities into allocations across departments and outputs. The budget also takes into account Board reviews of the income and expenditure position, staff compensation, and the capital budget. The Committee on Capacity Building (CCB) and a Board briefing on CD priorities support strong CD-budget links.

Financial year (t): May 1(t-1) to April 30(t)

E.g., FY25 = May 1, 2024 to April 30, 2025

Gross Administrative Envelope =



Net Administrative budget (structural spending that is Fund-financed. Also, overall Fund-financed appropriations, less general receipts. Does not include expenses funded by IMF02, including staff resources funded through chargebacks.)

plus

Receipts (general receipts + donor funding)

Plus

Carryforward (Fund-financed and donor financed) **and other transitional transfers** (excess underspend of IEO and OED)

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 of the general net administrative budget 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 providing breathing space to meet urgent needs during the pandemic period. These levels were reduced to 7 percent in FY23 and 6 percent in FY24. The limit is proposed to fall to 5 percent in FY25, with a view to reverting to the 3 percent normal limit over time.
- IEO’s CF limit has varied between 5 and 8 percent of the IEO net administrative budget since FY21.
- OED CF limit for each office is set at a maximum of 20 percent of the net administrative budget for each office 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 carryforward limit increased from 20 percent to 30 percent for resources from FY25 to FY26, to be reviewed in FY27 budget cycle.

The CF to next financial year is the minimum of the underspend in the current year or CF limit of the current year’s net administrative budget. Specifically for the general budget:

$$CF_t = \min (U_t, B_t \times X_t)$$

Where:

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

B_t = general net administrative budget in current FY

CF_{t-1} = carryforward from previous FY

E_t = net expenditures in current FY

x_t = limit expressed as a percentage of the current year’s general net administrative budget. This limit is approved by the Executive Board.

Capital budget:

Financing for investments in IT and building improvements and repairs. Given the long-term nature of these projects, capital budgets are available for three years, after which 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.

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.

Annex II. Selected Policy Reviews and Evaluations CY23-24

Area	Title	Summary Purpose and Resource Implications, Where Relevant
Surveillance	Elements of Effective Policies for Crypto Assets – February 2023	No resources implications were identified. Fund work on crypto assets is expected to remain within the agreed budget augmentation framework.
	Review of the Role of Trade in the Work of the Fund (para 56) – March 2023	The paper does not provide quantified cost estimates, but states that its recommendations are to be achieved through reprioritization within the existing budget envelope.
	Independent Evaluation Office – IMF Engagement with Small Developing States . Implementation Plan (para 8) – March 2023	The MIP estimates total implementation costs of about 22 FTEs over the period of FY23-FY28 (average of 3.8 FTEs a year). Some items not originally included in the work program) will be funded through reprioritization.
	Review of the Implementation of the 2018 Framework for Enhanced Fund Engagement on Governance (para 47) – April 2023	The bulk of the cost of proposed framework improvements will be covered by savings on pandemic-related governance safeguards and externally funded CD. The gross additional cost is estimated at 1 FTE and is expected to be met through reprioritization within the overall budget envelope.
	Review of Climate Macroeconomic Assessment Program Pilots – May 2023	No resources implications were identified.
	Implementation of the Climate Strategy and the Resilience and Sustainability Trust – May 2023	Resource implications, 18 staff hired to the climate workstream in FY23 and around 30 hires planned for FY24.
	Comparing the IMF's and OECD's frameworks on Capital Flows – September 2023	No resources implications were identified

Area	Title	Summary Purpose and Resource Implications, Where Relevant
	2023 Review of the IMF's Strategy on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) – November 2023	The paper estimates gross resource implications of about 4 FTEs over the next four years and additional financial resources equivalent to one A13/A14 FTE a year (about 5 percent of LEG's personnel budget).
	Review of the Framework for Data Adequacy Assessment for Surveillance – November 2023	The paper notes that the resource demands on IMF staff are expected to be moderate, as the one-time investment in the DAA will be followed by regular updates in future Article IV consultations.
Lending	Temporary Modifications to the Fund's Annual and Cumulative Access Limits – February 2023 and February 2024.	The higher limits do not automatically qualify a member country for higher access. The papers noted that estimated impact of these increases on the demand for Fund resources even under extreme scenarios is expected to be limited.
	Review of the Cumulative Access Limits Under the RFI and the RCF; Review of Experience with the FSW Under the RFI and the RCF — June 2023	The paper stated that the proposed strategy is not expected to have significant resource implications.
	Review of the Flexible Credit Line, the Short-Term Liquidity Line, and the Precautionary and Liquidity Line, and Proposals for Reform — October 2023	The paper estimated that the impact of the reform proposals on the demand for GRA resources is expected to be limited and thus the proposed reforms are also expected to be implemented within existing budgetary envelopes.
	Independent Evaluation Office -The IMF's Emergency Response to the COVID-19 Pandemic . The MIP on the operationalization and costing of the evaluation — October 2023	The MIP discusses the operationalization and costing of the evaluation recommendations.

Area	Title	Summary Purpose and Resource Implications, Where Relevant
	Review of the PCI and Proposal to Eliminate the PSI —Aug 2023	The proposals in the paper are expected to be implemented within existing budgetary envelopes, with limited impact on human resources.
CD	Management Implementation Plan for Independent Evaluation Office - The IMF and Capacity Development —May 2023	Many of this IEO's evaluation report recommendations are already included in the medium-term budget (e.g., rollout of CDMAP, CD Strategy Review). The MIP assesses near-term resource implications to be manageable; medium-term implications will be discussed as part of the FY2025-27 budget or are covered by the current budget.
	Policy Reform Options to Promote the Fund's Capacity to Support Countries Undertaking Debt Restructurings — March 2024	The proposals are expected on balance to have a small positive budgetary impact. On an operational basis, the policy changes could reduce Fund workload as they would remove ambiguities that at present generate a need for extensive discussions within staff, with creditors, and with the Board.
	2023 CD Strategy Review —April 2024	The report notes that several recommendations related to expanded field presence; movement of some costs from external to internal financing would require material additional funding. Other proposals, including ongoing improvements in delivery modalities, would have more modest resource implications.
Internal Support	Enterprise Risk Management - Proposed Risk Tolerance Statements and Risk Tolerance Levels – March 2023	No resources implications were identified.
	Review of Institutional Safeguards (ISR) Update on Implementation plan (IP) (paragraph 19) – December 2023	The DRS, Ethics, and Investigation Offices collectively received a 24.6 percent increase in the FY24 budget allocations and about 47 percent after including transitional funds. This builds on an overall 30 percent increase in DRS resourcing allocated to the Offices in FY23, with an overall upward shift in resources since FY22 of about 80 percent.

Area	Title	Summary Purpose and Resource Implications, Where Relevant
	Experience with Enterprise Risk Management Implementation—An Initial Stock take and the Way Forward – November 2023	The report, which included departmental costing self-assessments, recognized the need for implementation to consider absorption capacity constraints across Fund departments with a recommended phased approach to implementation, focused on supporting efficient delivery on the benefits of ERM.

Annex Table 3.1. Nominal Gross Administrative Budget, FY20–25

(Millions of US dollars)

	FY 20		FY 21		FY 22		FY 23		FY 24		FY25
	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Proj. Outturn	Prop. Budget
Gross Fund-financed	1,244	1,185	1,287	1,155	1,360	1,205	1,432	1,327	1,551	1,451	1,642
o/w General Receipts	39	35	31	29	33	25	36	33	44	41	48
Total Temporary	47		69		112		102		95		94
Externally Financed	200	165	206	113	210	141	236	195	257	217	283
o/w Carryforward	...	...	...	...	...	...	6		7		8
Total Gross Administrative Envelope¹	1,444	1,350	1,493	1,268	1,570	1,346	1,668	1,522	1,808	1,668	1,925
Personnel	1,043	1,028	1,123	1,049	1,143	1,106	1,228	1,182	1,329	1,286	1,414
Travel	134	97	133	16	144	26	110	104	147	126	138
Buildings and other expenditures	231	225	232	203	249	214	268	236	272	256	298
Contingency/Other ²	36	0	5	0	34	0	62	0	60	0	75

Source: OBP. Note: Figures may not add to totals due to rounding. Includes donor financing.¹ Includes general receipts. ² Includes structural contingency reserves, OED and IEO carryforward, and unallocated general carryforward.

Annex Table 3.2. Nominal Gross Administrative Expenditures: Travel, FY20–25¹
(Millions of US dollars)

	FY20		FY21		FY22		FY23		FY24		FY25
	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Proj. Outturn	Prop. Total Budget
Expenditures	134	97	133	16	144	26	110	104	147	126	138
Business travel	108	72	104	1	113	11	93	78	128	109	120
Transportation	102	41	99	1	101	7	92	49	128	84	119
Per diem	6	31	5	0	12	4	0	29	1	25	1
Charters	0	0	0	0	0	0	0	0	0	0	0
Seminars & other	16	14	19	1	20	1	6	14	7	6	7
Other travel	10	10	10	14	11	14	11	12	12	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.

Annex Table 3.3. Nominal Gross Administrative Expenditures: Buildings and Other, FY20–25¹
(Millions of US dollars)

	FY20		FY21		FY22		FY23		FY24		FY25
	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Proj. Outturn	Prop. Total Budget
Buildings, IT and other expenses	231	225	232	205	249	214	268	236	272	256	298
Building occupancy	70	69	73	68	77	69	73	76	79	73	82
Information technology	72	67	73	67	75	66	71	69	71	67	75
Subscriptions and printing	14	20	21	18	21	19	23	21	26	23	28
Communications	8	8	8	7	8	7	7	7	8	7	9
Supplies and equipment	4	5	4	2	4	4	4	5	4	3	4
Miscellaneous ²	64	56	54	43	64	50	91	57	84	83	101

Source: OBP. ¹ Budget includes Fund- and donor-financed structural and temporary resources. Outturn includes structural and temporary 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.

Annex Table 3.4. Nominal Gross Administrative Expenditures: Receipts FY20–25¹
(Millions of US dollars)

	FY20		FY21		FY22		FY23		FY24		FY25
	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Proj. Outturn	Prop. Budget
Receipts	239	199	237	142	244	166	265	229	294	258	324
Externally financed	200	165	206	113	210	141	230	195	250	217	276
General receipts ²	39	35	31	29	33	25	36	33	44	41	48

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

Annex Table 3.5. Budgeted Personnel FTE, FY20–25¹

	FY20	FY21	FY22	FY23	FY24	Prop. FY25
Structural Non-Augmentation	2,878	2,877	2,888	2,939	2,969	2,981
OED Increase	-	-	-	-	-	35
Structural Augmentation	-	-	-	54	119	185
Temporary	44	134	192	166	118	65
Transitional	44	43	57	78	75	55
Crisis	-	90	135	88	43	9
Donor financed	91	98	100	111	109	126
Grand Total	3,013	3,108	3,180	3,270	3,316	3,391

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

Annex Table 3.6. Gross Administrative Budget/Spending by FTF FY23-25
(Millions of FY24 US dollars, unless otherwise noted)

	FY23		FY24		FY25 Prop. Structural Budget	Percent of Total				
	Structural Budget	Actual Outturn	Structural Budget	Proj. Outturn		FY23		FY24		FY25 Prop. Structural Budget
						Structural Budget	Actual Outturn	Structural Budget	Proj. Outturn	
Country operations	695.7	672.4	725.8	716.2	757.2	41.9	41.5	42.5	42.9	43.2
Bilateral Surveillance	292.6	266.1	303.2	283.5	311.5	17.6	16.4	17.8	17.0	17.8
<i>Of which:</i>										
Article IV Consultations	198.4	180.4	203.4	190.2	209.0	11.9	11.1	11.9	11.4	11.9
FSAPs/OFCs	20.1	18.3	26.7	25.0	27.5	1.2	1.1	1.6	1.5	1.6
Lending & Other Engagement	147.3	185.2	156.7	192.2	163.8	8.9	11.4	9.2	11.5	9.3
<i>Of which:</i>										
Prog. and Facilities - GRA	79.6	100.1	84.2	103.2	87.9	4.8	6.2	4.9	6.2	5.0
Prog. and Facilities - PRGT	58.1	73.0	64.4	79.0	67.3	3.5	4.5	3.8	4.7	3.8
Capacity Development	255.8	221.1	265.8	240.5	281.9	15.4	13.7	15.6	14.4	16.1
Fund Financed	70.5	62.2	75.4	70.3	82.8	4.2	3.8	4.4	4.2	4.7
Externally Financed	185.3	158.9	190.4	170.2	199.1	11.2	9.8	11.2	10.2	11.4
Fund Policies and Analytical Work	124.0	129.4	125.0	137.7	126.4	7.5	8.0	7.3	8.3	7.2
Fund Policies	64.1	71.4	66.6	78.6	67.9	3.9	4.4	3.9	4.7	3.9
Analytical Work	60.0	58.0	58.4	59.0	58.5	3.6	3.6	3.4	3.5	3.3
Multilateral Surveillance - Global	171.9	185.5	173.7	188.2	177.0	10.3	11.5	10.2	11.3	10.1
Multilateral Surveillance	92.7	100.0	93.0	100.8	94.8	5.6	6.2	5.5	6.0	5.4
<i>Of which:</i>										
WEO	17.2	18.5	18.3	19.8	18.6	1.0	1.1	1.1	1.2	1.1
GFSR	12.1	13.0	11.5	12.4	11.7	0.7	0.8	0.7	0.7	0.7
Fiscal Monitor	5.3	5.7	5.4	5.9	5.5	0.3	0.4	0.3	0.4	0.3
REOs	16.8	18.2	16.9	18.3	17.2	1.0	1.1	1.0	1.1	1.0
Global Cooperation/Standards	79.2	85.5	80.7	87.4	82.2	4.8	5.3	4.7	5.2	4.7
Fund Governance and Finances	162.2	159.4	170.9	166.4	178.6	9.8	9.8	10.0	10.0	10.2
Corporate Functions	423.3	426.8	426.5	424.0	436.2	25.5	26.4	25.0	25.4	24.9
Miscellaneous ¹	21.9	15.1	22.0	18.5	21.2	1.3	0.9	1.3	1.1	1.2
Center	61.7	29.7	62.0	17.1	55.9	3.7	1.8	3.6	1.0	3.2
Total	1,660.6	1,618.2	1,705.9	1,668.1	1,752.3	100.0	100.0	100.0	100.0	100.0

Source: TRACES, TIMS, IBBIS, staff estimates. ¹ Miscellaneous funds not mapped to specific outputs under existing tools.

Annex Table 3.7. Nominal Capital Expenditures FY20-25
(Millions of US dollars)

	Formula Key	Facilities	Information Technology	IT Cloud Capital Equiv.	HQ1 Renewal	Total Capital
FY 20						
New appropriations	(36)	40.8	45.0		0.0	85.8
Total funds available	(37) = (35) + (36)	88.9	68.2		39.0	196.2
Expenditures	(38)	41.8	42.2		22.8	106.8
Lapsed funds ¹	(39)	1.8	0.0		0.0	1.8
Remaining funds	(40) = (38) - (39)	45.4	26.0		16.2	87.6
FY 21						
New appropriations	(41)	42.4	56.3		0.0	98.7
Total funds available	(42) = (40) + (41)	87.8	82.3		16.2	186.3
Expenditures	(43)	25.7	49.7		1.5	76.9
Lapsed funds ¹	(44)	2.5	0.0		0.0	2.5
Remaining funds	(45) = (42) - (43) - (44)	59.6	32.6		14.7	106.9
FY 22						
New appropriations	(46)	23.5	46.0	9.5	0.0	79.0
Total funds available	(47) = (45) + (46)	83.1	78.6	9.5	14.7	185.9
Expenditures	(48)	21.5	60.4	9.1	-0.8 ³	90.2
Lapsed funds ¹	(49)	7.9	0.0	0.4	0.0	8.3
Remaining funds	(50) = (47) - (48) - (49)	53.7	18.2	0.0	15.5	87.4
FY 23						
New appropriations	(51)	18.9	44.0	15.0	0.0	77.9
Total funds available	(52) = (50) + (51)	72.6	62.2	15.0	15.5	165.3
Expenditures	(53)	38.0	44.5	12.8	0.0	95.3
Lapsed funds ¹	(54)	7.5	0.0	2.3	15.5	25.3
Remaining funds ²	(55) = (52) - (53) - (54)	27.2	17.7	0.0	0.0	44.9
FY 24						
New appropriations	(56)	47.4	40.5	20.3	0.0	108.2
Total funds available	(57) = (55) + (56)	74.6	58.2	20.3	0.0	153.1
Expenditures (Est)	(58)	48.3	46.9	19.5	0.0	114.7
Lapsed funds (Est) ¹	(59)	0.0	0.0	0.8	0.0	0.8
Remaining funds (Est) ²	(60) = (57) - (58) - (59)	26.3	11.3	0.0	0.0	37.6
FY 25						
New appropriations (Prop.)	(61)	54.0	45.0	22.9	0.0	121.9
Total funds available (Est.)	(62) = (60) + (61)	80.3	56.3	22.9	0.0	159.5

Source: OBP, CSF, ITD. ¹ Reflect 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.