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December 6, 2021

**The Chair's Summing Up  
Budget Augmentation Framework  
Executive Board Meeting 21/112  
December 1, 2021**

Executive Directors welcomed the opportunity to consider the proposed budget augmentation framework aimed at appropriately helping the membership address longer term global economic challenges, working in close cooperation with key partners and focusing on issues within the Fund's mandate. They noted that the augmentation ensures that coverage of emerging issues would not come at the expense of the Fund's existing core work. While expressing varying views on the scale and allocation of the increase, on balance, Directors supported a consensus—in which all are equally served—envisaging proposed budgets beginning in FY23 of real augmentations averaging 2 percent per year for three years, before returning to a real flat envelope thereafter. They stressed the importance of continued strong budget discipline and focus on budget sustainability, with significant ongoing reprioritization and savings, and looked forward to regular updates on implementation and developments.

Directors welcomed the further bolstering of macro-financial surveillance and the alignment of the framework with comprehensive strategies for the Fund to address the macroeconomic and financial implications of climate change, the rise of digital money, and fragility, and efforts to support the Fund's work on inclusion and gender. They emphasized the need for close monitoring to ensure that the Fund continues to focus its work in areas of its mandate in cooperation with other international organizations and stakeholders.

While expressing varying views and preferences, Directors recognized that the scale and allocation of the proposed augmentation reflected both detailed consideration of needs in each issue area and broader considerations regarding the appropriate size of the Fund. A number of Directors would have preferred a somewhat lower increase, while a number of others would have preferred a higher increase. Overall, Directors concurred that the package proposal struck a reasonable balance. In addition, Directors underlined that the augmentation must remain consistent with sustainable income-expense dynamics, while noting that it would have a modest impact on the timeline to achieve the precautionary balances target. At the same time, they stressed the importance of continued budget discipline, through ongoing reprioritization and savings, to meet the changing needs of the membership.

Within each issue area, Directors encouraged continuous monitoring of implementation and possibly changing circumstances to ensure that the strategies remain well-aligned with the needs of the membership. In this context, they welcomed the focus on

support for direct country engagement at the center of the augmentation strategies, while, in particular, stressing the importance of capacity development activities.

Directors agreed that effective use of augmentation resources would require careful planning and ongoing review. Given the need for care to achieve both timely progress and effective implementation, they appreciated the articulation of implementation risks. Directors welcomed the phased increase over three years and the focus on workforce planning and talent sourcing strategies. They encouraged using this opportunity to make progress toward the Fund's diversity objectives. Directors emphasized the importance of regular reporting to the Board on developments and progress with the underlying strategies and the augmentation elements, which would provide opportunities to review the implementation and calibrate work in each strategy area as needed. An effective communications strategy would help clarify the scope and aims of the augmentation to the public and partners.

While recognizing the importance of budgetary buffers to support flexibility and risk mitigation, Directors agreed that the idea of any new budget flexibility mechanism to supplement existing buffers needed further analysis and consideration.