DOCUMENT OF INTERNATIONAL MONETARY FUND AND FOR OFFICIAL USE ONLY

FOR AGENDA

EBAP/08/20

CONFIDENTIAL

March 20, 2008

To: Members of the Executive Board

From: The Secretary

Subject: **The FY2009–FY2011 Medium-Term Administrative, Restructuring, and Capital Budgets**

Attached for consideration by the Executive Directors is a paper on the proposed FY2009–FY2011 medium-term administrative, restructuring, and capital budgets, which will be brought to the agenda for discussion on **a date to be announced**. Draft decisions appear on pages 24 and 25. This paper also provides background information for an informal meeting to be held on a date to be announced.

Questions may be referred to Mr. Green (ext. 34797) on the administrative budget, Mr. Cangiano (ext. 37330) on the restructuring budget, and Mr. Bonzi (ext. 38304) on the capital budget, in OBP.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

The FY 09–11 Medium-Term Administrative, Restructuring, and Capital Budgets

Prepared by the Office of Budget and Planning

Approved by Siddharth Tiwari

March 20, 2008

Contents Page

Boxes

Figures

Appendices

Glossary	
BITAG	Business and Information Technology Advisory Group
COB	Committee on the Budget
CBA	Cost Benefit Analysis
CBIT	Committee on Business and Information Technology
CIO	Chief Information Officer
FTE	Full–Time Equivalent (person year of employment)
GLI	Group Life Insurance
GRA	General Resources Account
HCM	Human Capital Management System
iBBIS	Integrated Budget and Business Intelligence System
IFRS	International Financial Reporting Standards
IFIs	International Financial Institutions
IT	Information Technology
LIC	Low Income Country
MBP	Medical Benefits Plan
MDRI	Multilateral Debt Relief Initiative
MTB	Medium–Term Budget
PGR	Pensionable Gross Remuneration
PRGF	Poverty Reduction and Growth Facility
ROSC	Report on the Observance of Standards and Codes
RSBIA	Retired Staff Benefits Investment Account
RTAC	Regional Technical Assistance Center
SBF	Separation Benefits Fund
SCA–1	First Special Contingent Account
SDR	Special Drawing Right
SRP	Staff Retirement Plan
STEAP	Short–Term External Assignment Program
TA	Technical Assistance
UFR	Use of Fund Credit

Executive Summary

- This paper presents for Executive Board approval proposals for the FY 09–11 medium–term administrative budget (MTB), a one–time multi-year appropriation to meet the costs of institutional restructuring (Restructuring Budget), and the FY 09 Capital Budget in the context of the FY 09–11 capital plan. It also proposes to carry forward the unused resources from the FY 08 administrative budget into the Restructuring Budget, to help defray the costs of the institutional restructuring.

- The strategic considerations underpinning the budget have been articulated by the Managing Director, following a thorough process of vetting by the staff and the Board, and have been discussed with shareholders. The central goal is to reshape the institution so that it delivers more focused outputs cost–effectively using its comparative advantage. While a decline in income may have been the proximate cause of the changes taking root in the institution, they would be necessary regardless of income considerations; the needs of the membership have changed with the march of time and with the challenges and opportunities that characterize today's globalized world. The proposed MTB enables and facilitates these necessary changes.

- The proposed MTB will, among other things, bridge the medium–term income gap. The Managing Director has proposed that $100 million (in real terms) of this gap is to be closed by expenditure reductions, and the rest is to be met through enhanced income measures, taking into consideration the proposals put forth by the Crockett committee. The proposed MTB would meet the expenditure reduction goal.

- The Managing Director has presented to Executive Directors his strategic vision and the outlines of the budget on various occasions, the latest being on March 12, 2008.

- As discussed during these meetings, the proposed MTB delivers an unprecedented 13½ percent real reduction by FY 11 (measured using the external deflator), relative to FY 08. This is in full recognition of the institution's shrinking resources. Yet, even with such a sharp reduction, it allows for real increases in the level of resources allocated to multilateral and regional surveillance—two of the Fund's areas of comparative advantage. These priorities are met by moving resources from support and governance departments to the core of the institution. Within the institution's core, resources have been reallocated from country program lending activities toward surveillance.

I. Overview

1. **This paper presents for approval of the Executive Board:**

- A $868.3 million net administrative budget for FY 09 set in the context of the FY 09–11 MTB, and the corresponding $966.9 million limit on gross administrative expenditures.
- A $48.3 million capital budget for capital projects beginning in FY 09 in the context of the FY 09–11 medium-term capital plan.
- A separate $155 million multi-year appropriation to meet the restructuring costs; and
- A proposal to carry forward and transfer up to $30 million of unused resources from the FY 08 administrative budget to the restructuring budget.

2. **The paper is organized as follows:**

- Section II considers the medium-term income-expenditure balance, summarizes the identification and implementation of medium–term priorities for the Fund, and the associated budgetary framework.
- Section III describes the key features of the proposed MTB.
- Section IV details how the budget parameters of the MTB were derived.
- Section V describes the proposed Restructuring Budget, its components, and the framework under which it is to be operationalized. This section also reports on the projected outturn for FY 08.
- Section VI presents the proposed three–year capital plan and the proposed FY 09 capital budget.
- Section VII concludes with the proposed decisions for Executive Board approval.

3. **The paper also includes appendices on**: (i) the Fund's income and expenditures; (ii) the assumptions underlying the MTB; (iii) the FY 08 projected administrative budget outturn; (iv) receipts; (v) the medium–term capital plan; and (vi) a set of background statistical tables.

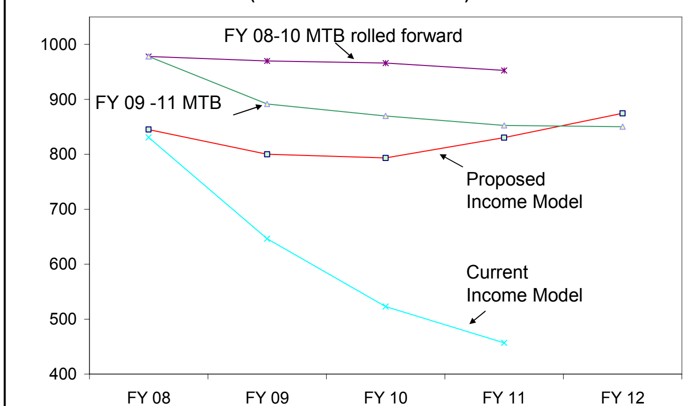
4. **This year, departments have been asked to prepare their individual business plans after the first phase of the restructuring exercise is underway.** A short paper on these plans will be issued to the Board after the summer.

II. Strategic Directions Underpinning the Medium–Term Budget

5. **This section describes the medium–term policy goals and the FY 09–11 budgetary strategy to achieve them**. It first describes how the medium term budgetary targets were set in light of the income shortfall. It then describes the budgetary strategy underlying the on–going institutional refocusing and restructuring.

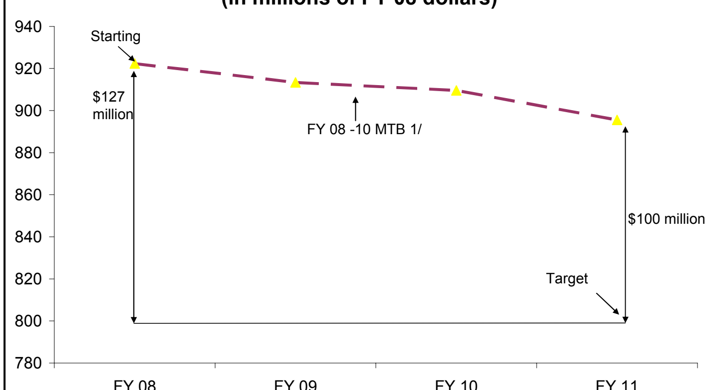
6. **A central priority is to put in place a sustainable budgetary framework for FY 09–11, as a basis for eliminating the income–expenditure gap in FY 12.** The Managing Director has articulated a strategy that requires the simultaneous enactment of income and expenditure measures to reach this goal. As Figure 1 illustrates, together with the proposed new income model, the proposed MTB will deliver a balance between income and expenditure during FY 12 once the policy changes enacted in FY 11 (the last year of the proposed MTB) take full effect. It is clear that a new income model, without expenditure restraint, will not deliver an income–expenditure balance within the foreseeable future. Similarly, no viable expenditure reduction framework would bring about an income–expenditure equilibrium in the absence of a new income model.

Figure 1. Proposed Income Model and MTB 1/
(in millions of FY 08 dollars)



1/ Includes capital budget items expensed and depreciation.

Figure 2. The FY 08-10 MTB Rolled Forward
(in millions of FY 08 dollars)



1/ FY11 figure is calculated assuming the policy stance of a one percent real reduction is continued.

7. **The Managing Director has proposed that about $100 million of this gap be met through expenditure reductions and the rest through enhanced income measures**. The FY 08–10 MTB envisaged a real reduction of $27 million dollars (a cumulative 3 percent, measured against the external deflator).[1] The FY 09–11 MTB incorporates a further $100 million in real expenditure reductions (over 10½ percent in FY 08 prices). Thus,

---

[1] Savings are measured over the period FY 09–11, assuming a continuation of the budget policy stance of a 1 percent real reduction set last year and rolled forward to FY 11. See Table 16 for more details.

measured from the starting point of the FY 08 budget, total savings amount to $127 million (over 13½ percent as shown in Figure 2).

8. **The institution, therefore, has to meet its refocusing needs in the context of a shrinking budgetary envelope**. A strategic plan to meet these challenges was articulated by the Managing Director and discussed in the COB on January 10, 2008 and February 5, 2008, and the Board on March 12, 2008.[2] The plan has been comprehensively discussed with staff, the Executive Board, and shareholders. It has five building blocks:

- **Strengthening multilateral surveillance** through stronger analyses of macro–financial linkages, exchange rates, and spillovers originating from systemically important countries.
- **Sharpening bilateral surveillance** by applying cross–country perspectives to policy issues facing individual countries.
- **Refocusing LIC work** to emphasize macro–stability, growth, and integration with the global economy.
- **Streamlining capacity building** by focusing on macro–critical activities and making technical assistance more demand–driven, and externally funded.
- **Modernizing the Fund** by updating business practices and seeking efficiency gains.

9. **The Managing Director's strategic plan forms the backbone of the budgetary strategy**. Thirteen Working Groups composed of staff at all levels of seniority were commissioned by the Managing Director to study different facets of each of the five building blocks listed above. These groups made several recommendations on how to deliver refocused output with fewer resources, which were discussed at large among staff. Management agreed on the implementation of several of these recommendations. Each of the recommendations of the Working Groups were then assessed from a budgetary perspective through a top–down exercise, and matched with a bottom–up evaluation done by each department. Thus, the feasibility of attaining $100 million in real savings over the medium–term was ascertained.

10. **The budgetary strategy incorporates four central considerations:**

- **Providing a framework to help refocus the institution;**
- **Putting in place a budget framework that will help close the income-expenditure gap in FY 12**;

[2] "Refocusing and Modernizing the Fund" (EB/CB/07/6); "The FY2009–FY2011 Medium–Term Administrative and Capital Budgets, and Proposal for a Supplementary Appropriation for Restructuring" (EB/CB/08/2, 2/1/08); and "Strategic Directions in the Medium–term Budget" (Buff 08/27).

- **Maximizing non–personnel expenditure reductions** to better exploit technological advances and enhance organizational efficiency; and
- **Implementing personnel–related expenditure reductions fairly**, while preserving business continuity.

11. **Determining the composition of expenditure reductions was the first step**. It began with an evaluation of measures to maximize non–personnel savings without compromising the attractiveness of employment at the Fund. For the three–year period, $33 million of non personnel savings (in FY 08 dollars) beyond those specified in the FY 08–10 budget were identified. The remaining $67 million in additional savings are personnel–related. Departments were asked to reduce staffing in line with the Working Group proposals that were approved by Management. These have been distributed by the themes shown in Table 1.

Table 1. Composition of Savings
(in millions of FY 08 dollars)

Personnel Savings	**67**
Efficiency gains	27
Fewer programs, less review, fewer layers	16
Fewer resident representative/overseas staff	7
Streamline systems and administrative processes	7
Refocus capacity building	5
Refocus LIC work	2
Refocus surveillance	2
Eliminate policy overlaps	1
Non-personnel Savings	**33**
Travel related expenses	10
Less resident representative/overseas office costs	9
Increased leasing of HQ2	5
Funding investment office through SRP	2
Annual meetings' savings	2
IT services	2
Elimination of subsidies	2
More revenues (Concordia)	1
Total	**100**

12. **The proposed shift of administrative resources across outputs and activities supports the refocusing of the Fund.** It moves resources from non core to the core business of the institution, and it reallocates resources within core activities towards priority areas over the next three years. The proposed MTB provides not only a larger share but also greater absolute levels of expenditure for certain key areas. The real budgetary allocations to (i) multilateral surveillance; (ii) surveillance of systemically important countries; and (iii) regional surveillance have all increased in real terms (Table 2). These priorities have been met through smaller resource

Table 2. Real Expenditure Allocation, FY08-11 1/

	Millions of FY 08 Dollars		Real percent change
	FY 08	FY 11	
Surveillance			
Multilateral	28	31	9
Bilateral surveillance	158	137	-13
Of which: Systemic countries	44	53	20
Regional	18	22	18
Country programs	122	103	-15
Fund-financed capacity building	106	86	-19
Support	313	272	-13

1/ Allocations are measured by the gross dollar inputs spent on each output area. Support and governance expenditures have not been allocated across outputs. Columns do not sum to the Fund total because of omitted categories. See Tables 17-19 for the comprehensive expenditure allocation.

allocations to Fund–financed TA and to country programs and support. If the Fund succeeds in raising more external financing for TA, the output loss in this area can be mitigated.[3]

13. **How are departments accommodating these budgetary shifts?** The departmental budgetary allocations are designed to match Fund–wide priorities. Table 3 shows these allocations across key output areas by departmental group. About 40 percent of the total output reduction for area departments will come from resources formerly allocated to country program–related activities. However, area and TA functional departments are planning a real increase in resources for regional surveillance and for surveillance of systemically important countries. As proposed by the Managing Director in his statement to the Board on March 12, the budget provides positions for new units to ensure coordination of work efforts across departments in two crucial areas: (i) multilateral surveillance; and (ii) refocusing of LIC work. The methodology for constructing departmental budgets as well as departmental FTE and dollar budget reductions are described in Box 1.

Table 3. Key Output Areas, FY 11 Relative to FY 08

(percent contribution to real change by type of department)

Key output area	Total	Area	Capacity Building	Non-TA Functional	Units 2/	Other 3/
Global monitoring	-5.4	-1.1	-1.8	-41.1	41.3	-11.5
Of which: Multilateral surveillance	2.4	-0.3	0.8	-17.2	36.7	1.9
Country-specific and regional monitoring	-17.7	-33.5	-13.3	-6.4	7.1	-3.5
Bilateral surveillance	-19.6	-40.2	-9.7	-4.8	5.7	-6.5
Regional surveillance	3.1	8.5	0.4	-0.8	0.7	-0.3
Standards and codes and financial sector assessments	-1.2	-1.8	-3.9	-0.8	0.8	3.3
Country programs and financial support 4/	-17.7	-38.8	-6.6	-55.4	29.5	14.7
Capacity building	-10.1	-10.5	-66.5	-1.6	5.8	65.8
Support	-38.6	-16.2	-11.8	-1.0	16.0	-120.3
Governance	-10.5	0.0	0.0	5.4	0.4	-45.2
Total 1/	-100.0	-100.0	-100.0	-100.0	100.0	-100.0

1/ Excludes reserves.

2/ Includes work on low-income countries.

3/ Includes offices, and support and governance departments. More details are provided in Table 20.

[3] See Appendix IV on receipts. Also note that allocations to the Key Output Areas (KOAs) presented are based on a conservative estimate of the expected range for receipts shown in Table 26.

Box 1. Reallocating Staff Positions

Staff positions were reallocated within and across departments through a multistep process. First, the number of economists and other professionals was established.

- In area departments, the number of economists was determined by each country's relationship with the Fund—program, or surveillance. Surveillance countries were further divided by anticipated level of intensity. More economists were notionally assigned to program and intensive surveillance cases.
- In capacity building and functional departments (PDR, RES, and others), economist allocations were linked to such outputs as surveillance, research, and capacity building in accordance with their centrality to the refocusing.
- Staffing levels in support and governance departments were also reallocated in line with strategic priorities, incorporating efficiency gains, for example through outsourcing.

Table 4. FTEs and Budget by Department, FY 08-11

	FY 08		Percent Reduction FY 08 - FY 11	
	FTEs	Budget (in $ millions)	FTEs	FY08 dollars
Area Departments	815	235	14	16
AFR	228	70	11	14
APD	126	37	16	18
EUR	170	48	17	19
MCD	139	41	13	14
WHD	153	40	16	16
TA Functional Departments	682	204	14	16
FAD	150	47	17	17
INS (incl. RTIs)	99	33	12	21
LEG	68	20	20	22
MCM	216	68	12	14
STA	148	36	12	12
Functional Departments 1/	481	113	16	15
EXR	88	25	13	16
FIN	135	28	19	15
PDR	167	37	17	14
RES	91	23	12	14
Support	510	221	17	18
EUO	12	4	44	44
HRD and SSG	105	33	17	18
INV	9	2	-27	100
OAP	6	3	33	18
TGS	374	179	16	16
UNO	4	1	71	45
Governance and Other	414	150	9	6
SEC	62	18	18	25
OMD	67	20	17	18
Other Offices	24	47	0	-4
IEO	13	5	0	0
OED 2/	248	59	10	13
Total	2,901	922	13	14
Memorandum items (in levels):				
Gross departmental reductions:			418	
Units/margin:			-38	
Net Fund FTE reductions:			380	

[1] Excludes resources associated with the units.
[2] Indicative reduction of 8 FTEs a year for 3 years.

In the second step, division sizes were increased to 15–20 staff to reflect industry standards for span of control, and immediate offices were reduced to a target of 10– 12 percent of total department staff. Results from these steps were then reviewed and adjusted to correct for inconsistencies, such as unworkably small immediate offices in the smaller departments.

Finally, Management made interdepartmental reallocations to reflect strategic priorities outlined earlier.

AFR and MCD are least affected because they have more program countries. Positions for economists and other professionals have been least affected (a 10 percent reduction). Manager positions and some support positions have been reduced by over 20 percent each.

III. THE DESIGN OF THE PROPOSED MTB FOR FY 09–11

14. **The phasing–in of the expenditure reductions is affected by technological considerations on the non–personnel side and by the separations framework on the personnel side (Table 5)**.

- **On the non–personnel side**, many measures such as the implementation of the new travel policy and new airline agreements, a smaller publications budget, and the elimination of selected subsidies can be implemented in FY 09. While the closure of selected resident representative offices will begin in FY 09, the full realization of the non–personnel gains will spill over into FY 10. Some of the more sizeable non personnel measures, such as the leasing of HQ2 space to the World Bank, will need preparation and can be fully implemented in FY 10. Other measures such as further global sourcing of IT, will take longer.

- **From a budget perspective,** nearly 60 percent of the reductions in FTEs are planned for FY 09, with the remainder staggered over FY 10–11. The latter includes positions in areas where necessary IT procurement of sourcing will only be completed in the outer years (TGS, HRD and also some in FIN). From the personnel perspective, voluntary separations can occur as late as May 13, 2009. As a consequence, the phasing of staff separations could shift significantly into FY 10. This is illustrated in Table 6.

Table 5. Savings Under the FY 09-11 MTB
(in millions of FY 08 dollars)

	FY 09	FY 10	FY 11
Relative to FY 08 budget			
Total savings	87	109	127
Personnel	54	73	84
Non-personnel	33	36	43
Relative to FY 08-10 MTB 1/			
Total savings	79	96	100
Personnel	50	63	67
Non-personnel	29	33	33

1/ FY 08-10 MTB, rolled forward to FY 11. See Table 16.

Table 6. Phasing of Staffing Adjustment

	FY 09	FY 10	FY 11
Separations as budgeted			
Number of staff separating	220	103	57
Phasing (in percent)	58	27	15
All volunteers depart in FY 10			
Number of staff separating	70	253	57
Phasing (in percent)	18	67	15

Table 7. Structure and Phasing of Adjustment

	FY 09	FY 10	FY 11
(Real percent change relative to FY 08 budget)			
Budgetary reductions	9.5	11.8	13.7
Area	10.4	13.7	15.8
Functional	9.3	11.8	13.0
Support and other 1/	9.3	10.6	13.1
(Change relative to FY 08 budget)			
Budgeted FTE reductions	220	323	380
Area	93	108	115
Functional	89	126	141
Support and other 1/	38	89	124

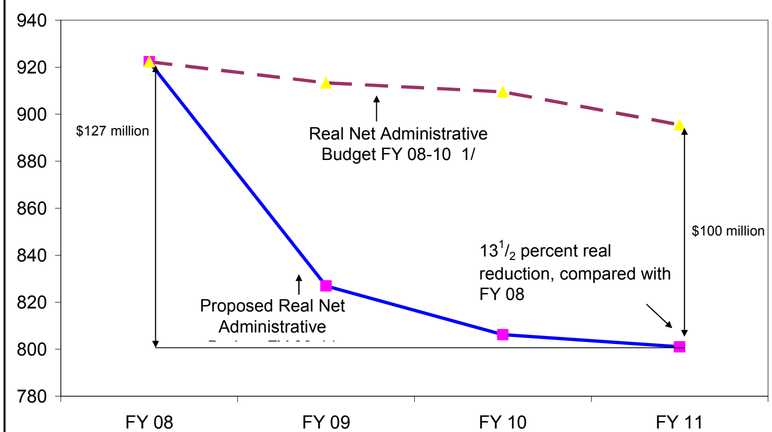
1/ Includes OED and IEO.

15. **The depth and the speed of budgetary adjustment across departments has been designed to match the institution's strategic priorities**. Area departments will adjust the fastest: most of the changes that apply to them will come from the refocusing of outputs, and changes to the organizational structure and work practices (Table 7). Support departments will have to adjust more slowly: the bulk of the adjustment will come in FY 11 and FY 12.

IV. The Proposed Administrative MTB for FY 09–11

16. **The proposed MTB for FY 09–11 sets in motion the strategic and design considerations described above.** The net administrative budget proposed for FY 09 is \$868 million, for FY 10 \$880 million, and for FY 11 \$895 million. Using an external deflator of 4 percent, the implied real reduction for FY 09 is 9½ percent, relative to the FY 08 net administrative budget.[4] As Figure 3 and Table 8 show, the real reduction over the three–year period is more than 13½ percent (with respect to FY 08).

Figure 3: The Proposed FY 09-11 Medium-Term Budget (in millions of FY 08 dollars)



1/ FY 11 figure is calculated assuming the policy stance of a one percent real reduction is continued.

Table 8. Net Administrative Budget, FY 08-11

	FY 08	FY 09	FY 10	FY 11
	(In millions of dollars)			
Approved net budget, FY 08-10 MTB	922	938	959	...
FY 08-10 MTB rolled forward one year	...	950	984	1,008
Proposed net budget, FY 09-11 MTB	...	868	880	895
	(In millions of FY 08 dollars 1/)			
Approved net budget, FY 08-10 MTB	922	913	910	...
FY 08-10 MTB rolled forward one year	...	913	910	896
Proposed net budget, FY 09-11 MTB	...	835	813	796
	(Real annual percent change)			
Approved net budget, FY 08-10 MTB 2/	-1.5	-1.0	-0.4	...
FY 08-10 MTB rolled forward one year 2/	...	-1.0	-0.4	-1.5
Proposed net budget, FY 09-11 MTB	...	-9.5	-2.6	-2.2
Memorandum items:				
FY 09-11 MTB relative to FY 08-10 MTB				
In millions of FY 08 dollars	...	-79	-96	-100
Real percent change	...	-8.6	-10.6	-11.2
FY 09-11 MTB relative to FY 08 budget				
In millions of FY 08 dollars	...	-87	-109	-127
Real percent change	...	-9.5	-11.8	-13.7

Source: Office of Budget and Planning.
Note: Figures may not add to totals due to rounding.
1/ The FY 08-10 MTB is deflated using the FY 08-10 deflator (2.7 percent per annum); the FY 08-10 MTB rolled forward and the FY 09-11 MTB are deflated using the FY 09-11 deflator (4.0 percent per annum).
2/ Adjusting for the additional cost of holding the annual meetings overseas in FY 07 and FY 10, real percent reductions are uniformly 1 percent (see Table 16).

[4] See Box 2 and Appendix II for details regarding the assumptions underpinning the budget.

Box 2: The External Deflator

As agreed by the Executive Board, an external deflator is used in setting the Fund's nominal administrative budget.[1] The deflator is to be applied to all three years in setting the upcoming MTB envelope, and then updated each year in January, on a rolling basis. The deflator applied to the FY 08–10 envelope was 2.7 percent; the deflator applied to the proposed FY 09–11 envelope is 4.0 percent.

Table 9. The External Deflator
(in annual percent change)

	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
External deflator 1/	4.1	5.0	3.5	3.4	2.7	4.0
Washington-Baltimore CPI 2/	3.3	2.2	3.6	4.1	2.9	4.5
Compensation index 3/	4.4	6.1	3.4	3.1	2.7	3.7
Public sector compensation 4/	4.3	4.4	3.7	3.4	2.6	4.5
Private financial sector compensation 5/	4.8	8.8	2.8	2.2	2.9	3.1
Private industrial sector compensation 6/	3.0	4.1	4.3	4.6	2.0	2.4

Sources: U.S. Bureau of Labor Statistics, U.S. Office of Personnel Management.

1/ Calculated as: 0.7 x compensation index percent change + 0.3 x Washington-Baltimore CPI percent change.

2/ Washington-Baltimore Consumer Price Index, as published by the U.S. Bureau of Labor Statistics. For FY(X), percent increase in the index, January CY(X-1) over January CY(X-2), is used; except for FY 09 where, because of the compressed time frame for budget formulation, November CY(07) over November CY(06) is used.

3/ Calculated as: 0.5 x public sector percent change + 0.4 x financial sector percent change + 0.1 x private industrial sector percent change.

4/ Federal government scheduled salary increase for the locality pay area of Washington-Baltimore-Northern Virginia, as published by the U.S. Office of Personnel Management. For FY(X), percent increase effective January 1 CY(X-1) is used.

5/ Employment Cost Index for Total Compensation: Private Industry Workers: Service-providing industries: Finance and Insurance; as published by the U.S. Bureau of Labor Statistics. For FY(X), percent increase in the index, Q4 CY(X-2) over Q4 CY(X-3), is used.

6/ Employment Cost Index for Total Compensation: Private Industry Workers: Goods-producing industries: Management, Professional, and Related Occupations; as published by the U.S. Bureau of Labor Statistics. For FY(X), percent increase in the index, Q4 CY(X-2) over Q4 CY(X-3), is used.

[1] See Appendix I of "The FY2007–FY2009 Medium–Term Administrative and Capital Budgets," (EBAP/06/39); and Box 1 of "The FY2008–FY2010 Medium–Term Administrative and Capital Budgets," (EBAP/07/46, 3/30/07).

17. **In the FY 09–11 MTB, contingency and planning reserves have been programmed as they were in the FY 08–10 MTB**. They have been set at 1 percent of the net administrative budget for FY 09, 1½ percent for FY10, and 2 percent for FY 11. This reflects two main considerations: First, uncertainties inherent in the implementation of the institutional restructuring require a buffer of reserves to insure against adverse developments. Second, this budget is unlike any in recent history in terms of the scale on which it has to accommodate the institution's shifting priorities over the medium term. In the outer years, there is a need to provide for planning reserves, should the needed allocations toward priority areas turn out to be larger than expected.

18. **The reduction in staffing is the main driver of the sizeable decline in expenditures because personnel outlays account for nearly three–quarters of the budget**. As Table 10 shows, FTE and contractual reductions cause expenditure on staffing to

fall by 7½ percent in real terms, and by over 3½ percent in nominal terms in FY 09, even though standard staff costs are expected to rise 4½ percent. In the outer years, personnel expenditures are budgeted to decline modestly in real terms. Other noteworthy drivers of expenditure changes include:

- A 6 percent real reduction in travel for FY 09; travel expenditures are expected to be 12 percent lower in real terms by FY 11 (both measured with respect to FY 08). This results from a policy decision to reduce travel volume, the introduction of the new travel policy and more favorable airline pricing.

- Building and other expenditures will fall 6 percent in real terms by FY 11, despite a slight nominal rise, due to some necessary IT replacements and building refurbishments. Spending on IT systems will also be necessary to facilitate day to day efficiency gains.

- As the Fund moves towards more external financing of TA and increased leasing of its properties, receipts are expected to rise over the MTB period. That said, expectations of increased receipts are subject to uncertainty. As external TA financing is used to hire outside experts and not to pay salaries of Fund staff, FTE levels will not be affected if external financing does not materialize. Appendix IV provides more detail on receipts.

Table 10. Administrative Budget by Major Expenditure Category, FY 08-11
(in millions of U.S. dollars, unless otherwise indicated)

	FY 08	FY 09	FY 10	FY 11	FY 11 less FY 08
			(Nominal)		
I. Personnel	723	697	702	717	-6
II. Travel	100	98	99	99	-1
III. Building and other expenditures	161	163	165	170	10
IV. Annual Meetings	0	0	5	0	…
V. Reserves	10	9	13	18	…
Gross Expenditures	994	967	985	1004	10
Receipts	-71	-99	-105	-109	-38
Net Administrative Budget	922	868	880	895	-27
			(In FY 08 dollars)		
I. Personnel	723	670	649	637	-86
II. Travel	100	94	91	88	-12
III. Building and other expenditures	161	157	153	151	-9
IV. Annual Meetings	0	0	5	0	…
V. Reserves	10	8	12	16	…
Gross Expenditures	994	930	910	893	-101
Receipts	-71	-95	-97	-97	26
Net Administrative Budget	922	835	813	796	-127

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding. See also Tables 21 and 22.

Box 3. Achieving and Measuring Real Savings

The FY 08–10 MTB sought to reduce real administrative expenditures by one percent a year, measured using the external deflator (Box 2). Rolling this MTB forward to FY 09–11 for comparison purposes implies total real savings of some $27 million that would have been achieved through a mix of personnel ($17 million) and non personnel ($10 million) savings (panel A of Table 11).

Table 11. Comparing the FY 08-10 and FY 09-11 MTBs [1]
(in millions of 2008 dollars)

	FY2008	FY2009	FY2010	FY2011	Change, FY 08 - FY 11	
					Level	Percent
A. FY 08-10 MTB [2]						
Personnel	652	647	641	635	-17	-2.6
Non-Personnel	270	266	268	260	-10	-3.7
Total	922	913	910	896	-27	-2.9
B. FY09-11 MTB						
Personnel	652	598	579	568	-84	-12.8
Non-Personnel	270	237	234	227	-43	-15.9
Total	922	835	813	796	-127	-13.7
C. Difference						
Personnel	0	-50	-63	-67		
Non-Personnel	0	-29	-34	-33		
Total	**0**	**-79**	**-96**	**-100**		
Memorandum item:						
Funded staff positions	2901	2681	2579	2521	-380	-13.1

[1] Fund-financed expenditures only; excludes salaries and benefits paid to non-staff employees working on externally-financed activities, and certain nonstandard benefits.
[2] Updating the deflator estimate, and assuming that the policy stance of a one percent real reduction is maintained.

The FY 09–11 MTB targets *an additional $100 million* in annual savings by FY2011, compared with last year's MTB (panel B). Measured in this way—MTB to MTB—the new MTB would save $67 million in personnel expenditures and $33 million in nonpersonnel expenditures (panel C).

Combining the two MTB scenarios means that annual net administrative spending would fall by $127 million in real terms over the period FY 08–11, underpinned by specific policies outlined in this paper. The reduction in staff positions is minimized by the $43 million projected savings in nonpersonnel areas (FY 08 to FY 11). Thus, the MTB incorporates a reduction of 380 funded staff positions and similar cutbacks in funding for contractuals to save $84 million in annual personnel costs by FY2011, relative to FY2008. As noted above, $17 million of this amount was already incorporated in the baseline FY 08–10 MTB and $67 million was added in the FY 09–11 MTB.

Table 12. Budgeted Personnel Expenditures /1
(in millions of U.S. dollars)

	FY 08	FY 11	FY 11 – FY 08 Percent Change
Nominal	652	639	-2.0
Real			
External deflator	652	568	-12.8
Implicit deflator	652	567	-13.1

1/ Fund-financed expenditures only.

A single deflator was used to translate all of the above figures into constant FY2008 prices. While the external deflator provides a useful benchmark, prices for different budget concepts can evolve in different ways. For example, personnel costs in the new MTB are assumed to increase by an (unweighted) average of 4.7 percent a year over FY 09–11, compared with the 4 percent annual increase in the external deflator. Estimating the 'real' change in personnel costs using the external deflator approach understates the real adjustment compared with the true increase in salaries and benefits (Table 12).

V. THE RESTRUCTURING BUDGET

19. **The restructuring budget is a one–time appropriation over a multi–year period to meet the costs of refocusing the Fund.** As indicated in the February 1, 2008 paper for the COB,[5] staff proposes that the one–time costs associated with the restructuring—estimated at up to $185 million in the most conservative scenario—be funded through a supplementary three–year appropriation.[6] Part of the cost would be defrayed by carrying forward unused FY 08 administrative budget resources (up to $30 million), so that the supplementary appropriation being sought would amount to $155 million.[7] Such an appropriation is subject to a separate Board decision (discussed below), authorizing management to incur expenses during FY 08–11 of up to the maximum of the appropriation. The execution of the restructuring budget will be reported to the Board periodically.

20. **The restructuring budget makes provisions for severance payments, allowances, and certain ancillary benefits.** Approximately two–thirds of it is expected to be used for severance payments to separating staff under the modified Separation Benefits Fund (SBF) approved by the Board in January 2008. The remainder would be spent on certain benefits, allowances, and other costs associated with separation, as well as a number of ancillary benefits.

21. **As indicated in the February COB paper, the restructuring budget has been formulated using fairly conservative assumptions:**

- There are three differences from the framework outlined in the February COB paper: (i) the restructuring budget is formulated on the assumption that 300 staff (rather than 400 staff) will separate from the Fund,[8] reflecting lower overall reduction targets, and staff vacancies accumulated by end–FY08; (ii) the period during which staff may decide to leave on voluntary terms has been extended from the initially envisaged 8 months to 12 months; and (iii) the budget includes all standard benefits and allowances (e.g., expatriate benefits) that will accrue to staff while delaying/deferring their separation, as well as the Fund's share of contributions to the Medical Benefits

[5] " The FY2009–FY2011 Medium–Term Administrative and Capital Budgets, and Proposal for a Supplementary Appropriation for Restructuring" (EB/CB/08/2, 2/1/08).

[6] This is similar to the practice adopted by other international institutions that have been restructured. Under the 1997 compact agreement, the World Bank set aside $250 million; the Inter–American Development Bank (IADB) set aside a "multi–year realignment budget," that required a separate resolution from its Board.

[7] On the basis of the first 10 months of the financial year, staff project that the net administrative expenditures will be about $35 million under the approved FY 08 budget (Appendix III). To allow some margin of error, the envisaged carry–over is limited to $30 million.

[8] These include a limited number of staff in OED and IEO with rights of return to the Fund.

Plan (MBP) and the Staff Retirement Plan (SRP), for all separating staff on both their salaries and separation leave.[9]

- All separating staff are assumed to leave under the voluntary option, delaying their separation until May 13, 2009, and choose separation leave (under the SBF) instead of the newly introduced "Rule of Age 50" under the SRP.[10]

- In formulating this budget, for each separating staff member, it is assumed that the Fund average salary is charged to the restructuring budget for 34.5 months, consisting of the maximum delay period (12 months) and the maximum eligibility period (22.5 months) under the modified SBF.

- The remainder of this budget consists of costs associated with separating staff, most notably outplacement services. It also contains certain ancillary benefits (described in Box 4); and initiatives to facilitate staff retooling via external mobility under the existing Short–Term External Assignment Program, and Leave Without Pay in the Interest of the Fund.

[9] Consistent with past business practice, and in compliance with International Accounting Standards (IAS 19) and with International Financial Reporting Standards (IFRS), Fund contributions to the SRP will be recognized when separations–whether mandatory or voluntary–are known. Actual contributions into the SRP for staff placed on separation leave (up to 22.5 months) will be made based on 14 percent of gross pensionable remuneration. Similar accounting treatment applies to the Fund's contributions to the MBP, Group Life Insurance (GLI), and tax allowances.

[10] "Reform of the Staff Retirement Plan"—Proposed Decision (EBAP/08/5, 1/28/08), and Staff Paper on Reform of the Staff Retirement Plan (RP/CP/08/5, Correction 1, 1/25/08).

Box 4. Ancillary Separation Benefits

Management has decided to provide further assistance to separating staff by extending the applicability of (and eligibility for) certain existing benefits and allowances. These ancillary separation benefits, estimated at $11.5 million, are described below.

- **Outplacement Services ($8.1 million)** to facilitate the transition of a staff member to the external job market. These services are available for both mandatory and voluntary separations and in some cases to all staff:
  - Access to IMF in–house career counselor.
  - Access to services of an outplacement firm. This would include: (i) one–on–one assistance on job search skills (interviewing, resume writing); (ii) career transition counseling program; and (iii) access to databases of private and public employers, international agencies, diplomatic missions, U.S. government departments, etc.
  - Access to short–term training sessions to enhance separating staff's skills.
  - Access to vacancies in IFIs, central banks, and private sector institutions.
  - Job search interview travel: one low fare economy class ticket for job search and interview outside the metropolitan area (for mandatory separations only).
- **Education Allowance ($3.4 million)** to provide for additional education allowances for the 2008/2009 academic year for both voluntary and mandatory separations, and for deferred separations for the 2009/2010 academic year.

Management has also decided to waive the following:

- **Payback obligations ($7 million in foregone reimbursements for all eligible staff)**:
  - **Appointment benefits**: staff members' obligation to repay the Fund for payments received in connection with his/her Fund appointment, if the staff member does not serve the first two years of his/her fixed–term appointment.
  - **Service requirement**: staff members' obligation to pay back costs associated with HR programs, such as short–term external assignments, study leave, sabbaticals, etc.

22. **Separation costs for three scenarios are summarized in Table 13.**[11]

- All scenarios assume that staff will delay their separation date until May 13, 2009.
- Scenarios 1 and 2 assume the maximum number of SBF eligible months (22.5). Scenario 1 assumes that staff will select the separation leave option, and thus continue to accrue service under both the SRP and the MBP by paying their contributions while the Fund continues to contribute its share into the plans. By contrast, Scenario 2

[11] As indicated in Table 13, certain costs associated with separating staff will be provided for by the Retired Staff Benefits Investment Account (RSBIA). These costs, which the Fund would have incurred regardless of the restructuring exercise, typically include a lump sum in lieu of unused annual leave (up to 60 days), a separation grant (inclusive of tax allowance for US nationals), as well as resettlement allowances and separation travel. These costs are funded through the Fund's regular annual contributions to the RSBIA.

assumes that staff will choose the lump sum option.[12] Scenario 2 would cost about $18 million less than Scenario 1.

Table 13: Multi-Year Restructuring Budget
(in millions of U.S. dollars; based on 300 separations with one-year delay)

	Scenario 1 Separation leave 22.5 months	Scenario 2 Lump sum 22.5 months	Scenario 3 Separation leave 15 months 1/
SBF salary payments 2/	76	76	51
One-year delay salary payments	39	39	39
Contribution to the SRP 3/	27	9	21
Tax allowance (U.S. nationals) 4/	14	14	11
MBP 5/	10	10	8
Home leave	3	3	3
Spouse and Child Allowances and Group Life Insurance	1	1	1
Ancillary benefits	12	12	12
Outplacement and other services	8	8	8
Education allowance	3	3	3
Retooling and retraining	4	4	4
Of which: Short-Term External Assignment Program	2	2	2
Total	**185**	**167**	**148**
New multi-year appropriation	155	137	118
FY2008 under spend	30	30	30
Memorandum items:			
Nonrecoverable costs	7	7	7
Retired Staff Benefits Investment Account (RSBIA)	62	62	62
Separation grant 6/	41	41	41
60 days of annual leave	10	10	10
Separation travel	8	8	8
Resettlement allowance	3	3	3

Source: Office of Budget and Planning (Totals may not add due to rounding).
Note: Figures may not add to totals due to rounding.
1/ Based on the sample of staff used to illustrate the cost of reforming the SBF (EBAP/08/1, Supplement 1, 1/22/08). That sample assumed that 15 percent of staff members would separate at the Rule of 85 thus receiving reduced benefits, while about 6 percent of the staff would qualify for the minimum SBF payment.
2/ All scenarios assume staff will delay their separation by 12 months, until May 13, 2009.
3/ Scenarios 1 and 3 provide for the SRP contingent liabilities arising from staff choosing the separation leave option under the SBF, thus remaining on the Fund's payroll for the entire period, whereas Scenario 2 reflects only the Fund's 14 percent of gross pensionable remuneration for FY 09 since staff choosing the lump sum option under the SBF cease accruing rights under the SRP (included in Scenarios 1 and 3).
4/ Assumes that 25 percent of those separating are U.S. nationals.
5/ Under Scenario 2, it is assumed that all separating staff are eligible for retiree medical coverage.
6/ Based on the maximum of 26 weeks; includes tax allowances for U.S. nationals.

- Scenario 3 is similar to Scenario 1, except that separation leave is assumed to be an average of 15 months.[13] The costs under this scenario are some $37 million lower than Scenario 1.[14]

---

[12] This option provides accrued service toward the age requirement for retiree medical eligibility under the MBP, as per the newly proposed post-retirement medical coverage policy, and not under the SRP. See Medical Benefits Plan—Post-Employment Medical Coverage (forthcoming).

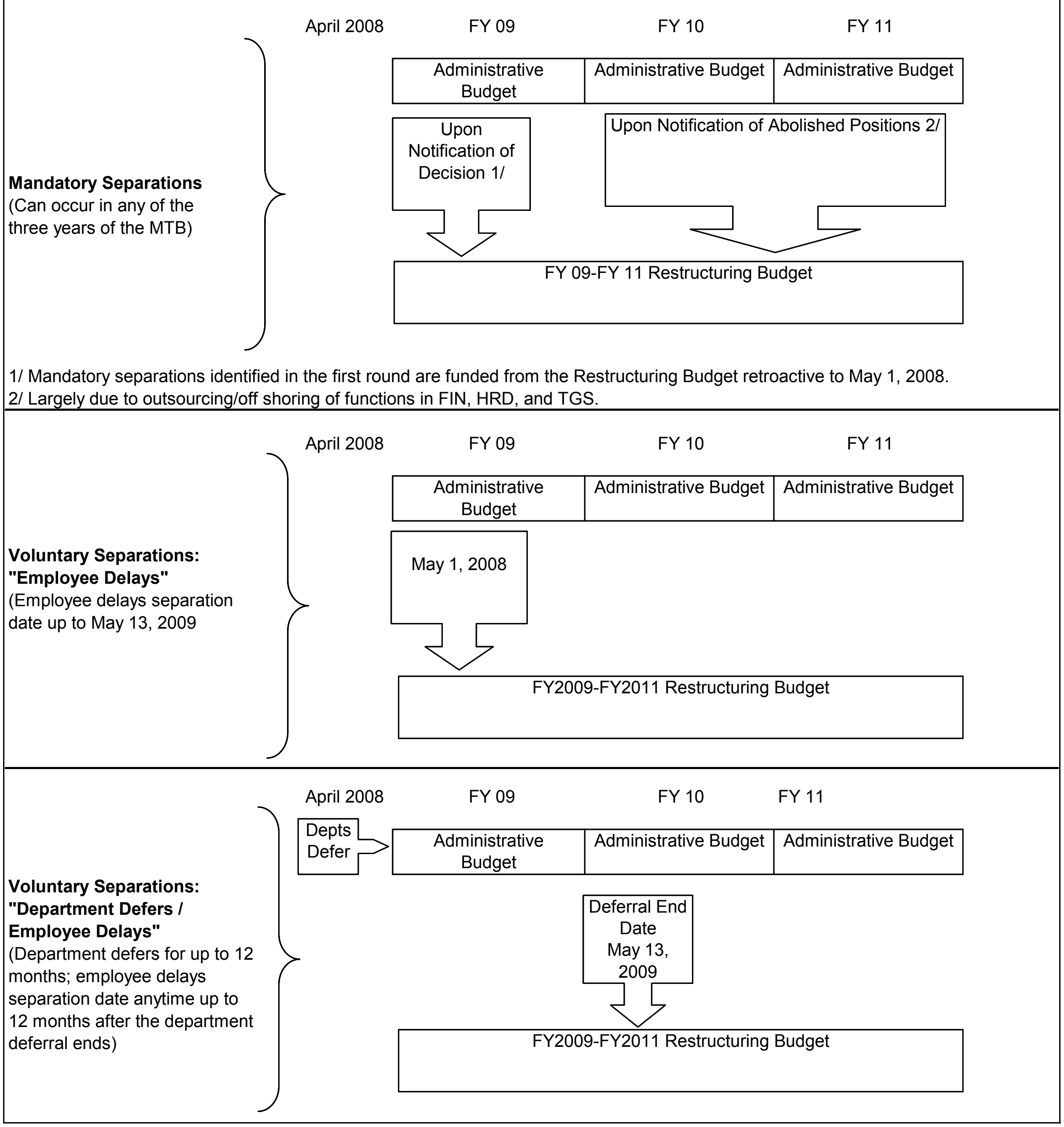
[13] Based on the sample of staff used to illustrate the cost of reforming the SBF, as described in footnote 1 to Table 13.

[14] In addition to EBAP/08/5, 1/28/08, RP/CP/08/5, Correction 1, 1/25/08, see also "Facilitating Staff Separations—Reform of the Separation Benefits Fund (EBAP /08/01, 1/16/08, Supplement 1–3)."

- Considering the uncertainty regarding separation choices (voluntary versus mandatory), the vehicle of separation (SRP Rule of Age 50 versus SBF), and timing, staff is of the view that the restructuring budget should be formulated on the basis of the most conservative assumptions. Should budgeted funds not be used, they would lapse at the end of the period (i.e., April 30, 2012).

23. **The restructuring budget will cover all costs related to separating staff.** Figure 4 illustrates the three modalities whereby staff costs will be charged to the restructuring budget.

Figure 4. Funding Separations From The Restructuring Budget



VI. THE CAPITAL BUDGET

24. **Executive Board approval is sought for an appropriation of $48.3 million for capital projects beginning in FY 09**. Directors are also asked to take note of the capital budget envelope proposed for the following two years, resulting in the FY09–11 capital plan of $138 million. The appropriation for FY 09 provides for expenditures over the next three years, and of this amount over one-third is for building facility projects and the remainder for information technology projects. A listing of all capital projects planned for FY 09 is in Appendix V, which also gives further details on the capital plan.

Table 14. Capital Plans, FY 07-11 1/
(in millions of U.S. dollars)

	FY 07	FY 08	FY 09	FY 10	FY 11	Total
	FY 07-09 Plan					
Total	**48**	**47**	**46**			**141**
Building Facilities	20	21	14			55
Information Technology	28	26	32			86
		FY 08-10 Plan				
Total		**47**	**47**	**45**		**138**
Building Facilities		21	15	19		55
Information Technology		26	32	26		83
Enterprise information		10	9	7		26
Financial & administrative		5	6	6		17
Infrastructure & connectivity		11	17	12		40
IT planning & management		1	0	0		1
			FY 09-11 Plan			
Total			**48**	**45**	**45**	**138**
Building Facilities			17	19	22	58
Information Technology			32	26	23	80
Enterprise information			9	7	11	27
Financial & administrative			6	6	8	20
Infrastructure & connectivity			15	11	4	30
IT planning & management			2	1	1	4

Source: Office of Budget and Planning.

1/ Figures indicate appropriations approved or requested for capital projects beginning in each financial year.

25. **In real terms, the capital budget reflects a significant downward adjustment**. Over the last decade, real capital expenditures have varied, *inter alia*, because of security enhancements for building facilities and IT expenditures. The security initiatives are now complete and no new funding is being sought for them.

26. **The overall size of the capital budget is effectively capped, relative to two benchmarks, and the appropriation being sought for FY 09 is in accordance with these caps**:

- **For building facility capital projects** (life cycle replacement and modernization), the annual appropriations have been capped at 3 percent (on a moving average basis) of the asset replacement value of the main HQ1 building—an industry-wide norm for buildings of the age and type of HQ1. With the addition of HQ2, this benchmark is being reviewed. The FY 10 budget will be formulated in a way that incorporates the results of this review.

- **For total IT expenditures**, the cap is set at 11 percent of the Fund's aggregate net administrative and capital budgets—a benchmark based on the practices of other major financial institutions.

27. **The actual outcomes with respect to these benchmarks have varied over time and are expected to do so over the FY 09–11 period.** The building facilities ratio would rise and the IT ratio decline, mostly reflecting building facilities and IT asset replacement cycles, respectively. That said, both ratios are expected to be below the reference benchmarks (Table 15).

Table 15. Capital Budget Benchmarks
(in percent)

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11
Building Facilities 1/	2.4	2.1	1.5	1.6	1.7	2.2
IT 2/	9.6	9.7	10.1	11.0	10.5	9.7

Source: Office of Budget and Planning.

1/ Three-year moving average (in FY 02 dollars) as a percentage of replacement value of HQ1 (estimated replacement value as of FY 02).

2/ Total IT expenditures (capital and administrative) as a percent of total net administrative and capital budgets. Fluctuations mostly due to asset replacement cycles

28. **About one-half of the budget requested for FY 09 is for projects that preserve the integrity of the Fund's asset base**. These projects are largely independent of staffing levels. They include office and building renovations and the replacement of building and technology infrastructure components at the end of their useful lives. The building facility portfolio includes a number of maintenance projects that were deferred in favor of investments in security enhancements following the September 2001 events. In the IT area, these projects include life cycle replacements of server and storage devices, printers, and microcomputers, as well as upgrades to hardware and software that support the Fund's network and communications infrastructure.

29. **The other part of the capital budget is aligned with the business needs of the institution.** In its formulation extensive consultations with the end-users of the projects have been conducted to ascertain that the projects are aligned with the overall refocusing strategy. Project sponsors have also worked closely with the governance bodies overseeing the capital budget to evaluate all projects competing for funding.[15] Particular attention has been paid to: (i) supporting surveillance and LIC work; (ii) enabling a new framework for

[15] See Appendix V for details.

technical assistance, (iii) strengthening collaboration within and outside the Fund; and (iv) facilitating more efficient work practices.

30. **The capital budget also includes new and revised projects that will help facilitate the institutional restructuring and refocusing.** For example, projects such as the Financial Stability Portal, the Economic Data Facilities Warehouse, and the Financial Risk Analysis will support deeper analysis of macro-financial linkages and spillovers, streamline the WEO production process, and strengthen forecasting for surveillance. Similarly, such projects as TA Regional Prioritization, TA Costing, TA Donor Portal and Collaboration with Trusted Partners will support capacity building activities. The projects Desktop@IMF, the Human Capital Management (HCM) Reengineering, the integrated Budgeting and Business Intelligence System (iBBIS) will help modernize the Fund.

VII. Proposed Decisions

31. **The following draft decisions, which may be adopted by a majority of the votes cast, are proposed for Executive Board approval**. Decision No.1 sets out both a net budget and a ceiling on gross administrative expenditures that cannot be exceeded without Executive Board approval.[16] Expenditures by the Executive Board and the Independent Evaluation Office, for which estimates are included in the budget, will be monitored and reported on by OBP.

Decision No. 1

Administrative Budget for Financial Year 2009

1. Appropriations for net administrative expenditures for FY 09 are approved in the total amount of $868.3 million.

2. A limit on gross administrative expenditures is approved in the total amount of $966.9 million.

Decision No. 2

Capital Budget for Projects Beginning in Financial Year 2009

1. Appropriations for capital projects beginning in FY 09 are approved in the total amount of $48.3 million and are applied to the following project categories.

(i) Building facilities	$16.8 million
(ii) Information technology	$31.5 million

[16] Figures rounded up to the nearest $100,000.

Decision No. 3

Restructuring Budget for the Financial Years 2008 Through 2011

1. Appropriations for restructuring expenditures for FY 08–11 are approved as follows:

   (i) Up to $30 million of unutilized resources that were approved with the FY 08 administrative budget and will not be used under that budget are carried forward and transferred into the restructuring budget; and

   (ii) An additional amount of $155 million is appropriated for restructuring expenditures during FY 08–11.

2. The authority to charge expenses against the above appropriations is effective April 8, 2008.

VIII. Supplementary Tables

Table 16. Rolling Forward the Medium-Term Budget, FY 08 - 11
(n millions of U.S. dollars)

	FY 08	FY 09	FY 10	FY 11
A. Approved FY 08-FY 10 MTB				
Net budget	922.3	938.0	959.4	
Of which: Overseas Annual Meetings	0.0	0.0	5.4	
Central receipts estimate	71.4	71.7	71.7	
Gross expenditures	993.8	1,009.7	1,031.1	
		69.8	68.0	66.2
B. Rolling forward the FY 08-10 MTB to FY 09-11				
Starting point top-down constraint on net expenditures 1/		938.0	959.4	970.2
Of which: Overseas Annual Meetings		0.0	5.4	0.0
Changes in assumptions: inflation		12.0	24.7	37.7
Revised starting point for net expenditures		950.0	984.0	1,007.8
Of which: Overseas Annual Meetings		0.0	5.6	0.0
C. Policy changes: restructuring		-81.8	-104.3	-113.0
D. FY 09-11 MTB				
Net budget		868.2	879.7	894.9
Of which: Overseas Annual Meetings		0.0	5.4	0.0
Revised central receipts estimate		98.6	105.0	109.3
Gross expenditures		966.8	984.7	1,004.2
Upper receipts estimate		98.6	111.0	119.0
Upper limit on gross expenditures		966.8	990.7	1,013.9
Memorandum items				
FY 08-10 Deflator (percentage change)	2.7	2.7	2.7	
FY 09-11 Deflator (percentage change)		4.0	4.0	4.0
Real net expenditures (FY 08 dollars)				
FY 08-FY 10 MTB	922.3	913.3	909.6	
Revised starting point from FY 08-10 MTB		913.4	909.8	895.6
FY 09-FY 11 MTB		834.8	813.3	795.6
Change		*-78.6*	*-96.5*	*-100.0*
Percentage change		*-8.6*	*-10.6*	*-11.2*
Real gross expenditures (FY 08 dollars)				
FY 08-10 MTB	993.8	983.1	977.6	
Revised starting point from FY 08-10 MTB 2/		983.2	977.8	962.2
FY 09-11 MTB		929.6	910.4	892.7
Change		-53.6	-67.4	-69.5
Percentage change		*-5.5*	*-6.9*	*-7.2*
Annual percentage change				
Approved FY 08-10 MTB				
Nominal net expenditures	1.1	1.7	2.3	
excluding the additional cost of holding Annual Meetings overseas	1.7	1.7	1.7	
Revised starting point				
Nominal net expenditures		3.0	3.6	2.4
excluding the additional cost of holding Annual Meetings overseas		3.0	3.0	3.0
FY09-FY11 MTB				
Nominal net expenditures		-5.9	1.3	1.7
excluding the additional cost of holding Annual Meetings overseas		-5.9	0.7	2.4

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ The starting point for the first two years of the new MTB is the last two years of the old MTB, and the assumption that the FY 11 envelope increases by the percentage change in the FY 08-10 deflator (2.7 percent), less the policy stance reduction (1 percent).

2/ Assumes nominal receipts in FY 11 are equal to nominal receipts estimated for FY 10 under the FY 08-10 MTB.

Table 17. Estimated Gross Administrative Budgeted Expenditures by Key Output Area and Constituent Output, FY 08 - FY 11 1/
(In millions of U.S. Dollars)

	FY 08	FY 09	FY 10	FY 11
Global Monitoring	171.6	169.5	173.8	179.3
Oversight of the international monetary system	51.1	44.1	45.3	46.6
Multilateral surveillance	44.3	48.8	51.4	53.8
Cross-country statistical info. & methodologies	29.9	31.0	30.9	31.6
General research	3.8	2.7	2.7	2.7
General outreach	42.5	42.9	43.5	44.5
Country specific and regional monitoring	346.2	350.3	355.0	361.8
Bilateral surveillance	278.5	271.4	274.5	279.6
Regional surveillance	30.0	34.8	36.2	37.6
Standards and codes and financial sector assessments	37.6	44.1	44.3	44.6
Country programs and financial support	228.5	202.5	203.1	201.4
Generally available facilities	98.4	77.4	77.3	76.7
Facilities specific to low-income countries	130.2	125.2	125.7	124.7
Capacity Building	237.8	235.9	239.7	243.7
Technical assistance	167.0	167.8	172.2	175.8
External training	70.8	68.0	67.5	67.9
Total, excluding reserves	984.1	958.2	971.6	986.2
Reserves	9.6	8.6	13.1	18.0
Total gross expenditures	993.7	966.8	984.7	1,004.2
Memorandum items				
Support	313.1	292.1	297.9	305.6
Governance	91.5	89.0	91.1	90.2

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Support and Governance expenditures are allocated across outputs.

Table 18. Estimated Gross Real Administrative Budgeted Expenditures by Key Output Area and Constituent Output, FY 08-11 1/
(in millions of FY 08 U.S. dollars)

	FY 08	FY 09	FY 10	FY 11	FY 11 less FY 08
Global Monitoring	171.6	163.0	160.7	159.4	-12.2
Oversight of the international monetary system	51.1	42.4	41.9	41.4	-9.7
Multilateral surveillance	44.3	46.9	47.5	47.8	3.5
Cross-country statistical info. & methodologies	29.9	29.8	28.5	28.1	-1.8
General research	3.8	2.6	2.5	2.4	-1.4
General outreach	42.5	41.3	40.2	39.6	-2.9
Country specific and regional monitoring	346.2	336.9	328.3	321.6	-24.5
Bilateral surveillance	278.5	261.0	253.8	248.6	-29.9
Regional surveillance	30.0	33.5	33.5	33.4	3.3
Standards and codes and financial sector assessments	37.6	42.4	41.0	39.6	2.1
Country programs and financial support	228.5	194.7	187.7	179.1	-49.5
Generally available facilities	98.4	74.4	71.5	68.2	-30.2
Facilities specific to low-income countries	130.2	120.3	116.3	110.9	-19.3
Capacity Building	237.8	226.8	221.6	216.7	-21.2
Technical assistance	167.0	161.4	159.2	156.3	-10.7
External training	70.8	65.4	62.4	60.4	-10.5
Total, excluding reserves	984.1	921.3	898.3	876.7	-107.4
Reserves	9.6	8.9	14.2	20.2	10.6
Total gross expenditures	993.7	929.6	910.4	892.7	-96.8
Memorandum items					
Support	313.1	280.8	275.4	271.7	-41.4
Governance	91.5	85.6	84.2	80.2	-11.3

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Support and Governance expenditures are allocated across outputs.

Table 19. Estimated Gross Administrative Budgeted Expenditure Shares by Key Output Area and Constituent Output, FY 08 - FY 11 1/
(In percent share of total gross expenditures, excluding reserves)

	FY 08	FY 09	FY 10	FY 11
Global Monitoring	17.4	17.7	17.9	18.2
Oversight of the international monetary system	5.2	4.6	4.7	4.7
Multilateral surveillance	4.5	5.1	5.3	5.5
Cross-country statistical info. & methodologies	3.0	3.2	3.2	3.2
General research	0.4	0.3	0.3	0.3
General outreach	4.3	4.5	4.5	4.5
Country specific and regional monitoring	35.2	36.6	36.5	36.7
Bilateral surveillance	28.3	28.3	28.2	28.4
Regional surveillance	3.1	3.6	3.7	3.8
Standards and codes and financial sector assessments	3.8	4.6	4.6	4.5
Country programs and financial support	23.2	21.1	20.9	20.4
Generally available facilities	10.0	8.1	8.0	7.8
Facilities specific to low-income countries	13.2	13.1	12.9	12.6
Capacity Building	24.2	24.6	24.7	24.7
Technical assistance	17.0	17.5	17.7	17.8
External training	7.2	7.1	6.9	6.9
Total, excluding reserves	100.0	100.0	100.0	100.0
Reserves	9.6	8.6	13.1	18.0
Total gross expenditures	101.0	100.9	101.3	101.8
Memorandum items				
Support	31.8	30.5	30.7	31.0
Governance	9.3	9.3	9.4	9.1

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Support and Governance expenditures are allocated across outputs.

Table 20: Expenditure Allocation, FY 08 - FY 11

(in millions of FY 08 dollars)

Key Output Area	TOTAL 1/			AREA DEPTS			CAPACITY BUILDING			NON-TA FUNCTIONAL			SUPPORT & OFFICES			SPECIAL UNITS			OTHER 2/		
	FY08	FY11	Diff	FY08	FY11	Diff	FY08	FY11	Diff	FY08	FY11	Diff	FY08	FY11	Diff	FY08	FY11	Diff	FY08	FY11	Diff
Global Monitoring	107.7	101.9	-5.8	4.3	3.9	-0.4	32.4	31.7	-0.7	47.9	41.1	-6.9	11.8	14.0	2.3		5.3	5.3	11.3	5.9	-5.4
Oversight of the IMS	30.4	25.6	-4.8	0.2	0.2	0.0	7.8	7.1	-0.7	13.8	11.9	-1.8	0.7	2.5	1.9		0.4	0.4	8.0	3.5	-4.5
Multilateral surveillance	28.3	30.8	2.5	1.9	1.8	-0.1	8.5	8.8	0.3	14.9	12.1	-2.9	1.8	2.8	1.0		4.7	4.7	1.2	0.7	-0.5
Cross-country statistical information & methodologies	19.1	18.2	-0.9	0.0	0.0	0.0	14.1	13.9	-0.2	0.3	0.5	0.1	3.9	3.4	-0.5		0.1	0.1	0.8	0.4	-0.4
General research	2.4	1.2	-1.2	0.1	0.2	0.1	0.1	0.1	0.0	2.1	0.8	-1.2	0.0	0.1	0.0		0.0	0.0	0.1	0.1	0.0
General outreach	27.5	26.0	-1.5	2.2	1.8	-0.4	1.9	1.9	0.0	16.8	15.7	-1.1	5.4	5.3	-0.1		0.1	0.1	1.2	1.2	0.0
Country-Specific and Regional	196.3	177.3	-19.1	119.2	106.3	-12.9	44.5	39.5	-5.0	14.0	12.9	-1.1	9.1	8.3	-0.7		0.9	0.9	9.5	9.3	-0.2
Bilateral surveillance	157.8	136.8	-21.0	106.4	90.9	-15.5	25.1	21.4	-3.7	12.1	11.3	-0.8	6.5	4.7	-1.7		0.7	0.7	7.8	7.8	0.0
Regional surveillance	18.4	21.7	3.3	11.7	15.0	3.3	2.6	2.7	0.1	1.6	1.5	-0.1	1.6	1.4	-0.2		0.1	0.1	0.8	1.0	0.1
Standards and codes and financial sector assessments	20.1	18.8	-1.3	1.1	0.4	-0.7	16.8	15.3	-1.5	0.3	0.2	-0.1	1.0	2.2	1.2		0.1	0.1	0.9	0.6	-0.3
Country Programs and Financial Support	122.4	103.5	-19.0	77.6	62.7	-15.0	10.8	8.3	-2.5	26.7	17.4	-9.3	0.9	3.8	2.9		3.8	3.8	6.5	7.6	1.1
Generally available facilities	55.6	43.2	-12.4	35.4	25.7	-9.6	5.9	4.4	-1.4	10.8	6.8	-3.9	0.6	2.6	2.0		0.3	0.3	2.9	3.3	0.3
Facilities specific to low-income countries	66.8	60.3	-6.6	42.3	36.9	-5.4	4.9	3.9	-1.1	15.9	10.5	-5.3	0.2	1.1	0.9		3.5	3.5	3.5	4.3	0.8
Capacity Building	153.1	142.2	-10.9	8.6	4.6	-4.0	130.2	105.1	-25.2	1.0	0.8	-0.3	6.6	7.5	0.9		0.7	0.7	6.7	23.6	16.9
Technical assistance	107.3	102.3	-5.0	7.2	4.4	-2.7	92.3	73.0	-19.3	0.7	0.5	-0.2	2.2	2.2	0.0		0.5	0.5	5.0	21.7	16.8
External training	45.7	39.9	-5.9	1.4	0.1	-1.3	37.9	32.1	-5.8	0.4	0.3	-0.1	4.3	5.3	0.9		0.2	0.2	1.7	1.9	0.2
Support	313.1	271.7	-41.4	26.6	20.4	-6.2	28.2	23.7	-4.5	24.7	24.6	-0.2	217.5	183.3	-34.2		2.0	2.0	16.0	17.6	1.6
Governance	91.5	80.2	-11.3							2.4	3.3	0.9	0.7	0.7	0.0		0.0	0.0	88.4	76.1	-12.3
Total	984.1	876.7	-107.4	236.4	197.8	-38.6	246.2	208.3	-37.8	116.7	100.0	-16.8	246.5	217.7	-28.8		12.8	12.8	138.3	140.1	1.8

Source: Office of Budget and Planning

Note: Figures may not add to totals due to rounding.

1/ Excludes reserves. Governance and support expenditures are not allocated across outpus.
2/ Includes governance departments and central resources.

Table 21. Administrative Budget by Major Expenditure Category, FY 08 - 11

(in millions of U.S. dollars, unless otherwise indicated)

	FY 08	FY 09	FY 10	FY 11
	(nominal)			
I. Personnel	723.1	696.8	702.2	716.8
Salaries	424.6	417.2	422.4	433.4
Benefits	298.5	279.6	279.8	283.3
II. Travel	100.5	98.0	98.8	99.1
III. Building and other expenditures	160.6	163.4	165.2	170.3
IV. Annual Meetings	0.0	0.0	5.4	0.0
V. Reserves	9.6	8.6	13.1	18.0
Gross Expenditures	993.7	966.8	984.7	1004.2
Receipts	-71.4	-98.6	-105.0	-109.3
Net Administrative Budget	922.3	868.2	879.7	894.9
	(percentage share of total net expenditures)			
I. Personnel	78.4	80.3	79.8	80.1
Salaries	46.0	48.1	48.0	48.4
Benefits	32.4	32.2	31.8	31.7
II. Travel	10.9	11.3	11.2	11.1
III. Building and other expenditures	17.4	18.8	18.8	19.0
IV. Annual Meetings	0.0	0.0	0.6	0.0
V. Reserves	1.0	1.0	1.5	2.0
Gross Expenditures	107.7	111.4	111.9	112.2
Receipts	-7.7	-11.4	-11.9	-12.2
Net Administrative Budget	100.0	100.0	100.0	100.0
	(annual nominal percent change)			
I. Personnel	...	-3.6	0.8	2.1
Salaries	...	-1.7	1.3	2.6
Benefits	...	-6.3	0.1	1.3
II. Travel	...	-2.5	0.8	0.3
III. Building and other expenditures	...	1.7	1.1	3.1
Gross Expenditures	...	-2.7	1.9	2.0
Receipts	...	38.0	6.5	4.1
Net Administrative Budget	...	-5.9	1.3	1.7

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

Table 22. Real Administrative Budget by Major Expenditure Category, FY 08 - FY 11

(In millions of FY 08 dollars, unless otherwise indicated)

	FY 08	FY 09	FY 10	FY 11	FY 11 less FY 08
			(real)		
I. Personnel	723.1	670.0	649.2	637.2	-85.9
Salaries	424.6	401.1	390.5	385.3	-39.3
Benefits	298.5	268.9	258.7	251.9	-46.6
II. Travel	100.5	94.2	91.4	88.1	-12.3
III. Building and other expenditures	160.6	157.1	152.7	151.4	-9.2
IV. Annual Meetings	0.0	0.0	5.0	0.0	0.0
V. Reserves	9.6	8.3	12.1	16.0	6.4
Gross Expenditures	993.7	929.6	910.4	892.7	-101.0
Receipts	-71.4	-94.8	-97.1	-97.2	-25.7
Net Administrative Budget	922.3	834.8	813.3	795.6	-126.8
			(annual real percent change 1/)		
I. Personnel	...	-7.3	-3.1	-1.9	-11.9
Salaries	...	-5.5	-2.6	-1.3	-9.2
Benefits	...	-9.9	-3.8	-2.6	-15.6
II. Travel	...	-6.2	-3.0	-3.5	-12.3
III. Building and other expenditures	...	-2.2	-2.8	-0.9	-5.7
IV. Annual Meetings	...	n/a	n/a	n/a	n/a
V. Reserves	...	n/a	n/a	n/a	n/a
Gross Expenditures	...	-6.5	-2.1	-1.9	-10.2
Receipts	...	32.7	2.4	0.1	36.0
Net Administrative Budget	...	-9.5	-2.6	-2.2	-13.7

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Figures shown for FY 11 less FY 08 are real percent changes, FY 11 relative to FY 08.

APPENDIX I

FINANCING ADMINISTRATIVE EXPENSES

1. **This appendix reconciles the budget proposals with the Fund's income statement.** Using the accompanying paper on income, it derives the Fund's income shortfall. The differences between the administrative and capital budgets, and the administrative expenses shown in the Fund's financial statements, are described in Box 5. Table 23 shows the impact of projected administrative expenses on the Fund's net income in FY2008 and beyond. Although the data in the Fund's financial statements are expressed in SDRs, the data in this section are presented in US dollars in order to facilitate comparisons with the budget information contained in this paper.

Box 5. Administrative/Capital Budgets and Administrative Expenses

The Fund's administrative budget differs from the concept of the Fund's administrative expenses (used in financial statements). This box provides a reconciliation between the two concepts.

The definition of administrative expenses used by the Fund in its financial statements accords with International Financial Reporting Standards (IFRS). Two types of adjustments are required to translate the administrative budget figures into administrative expenses. They both affect capital expenditure. As regards capital expenditure, the administrative expenses reported under IFRS must include:

- depreciation expenses for capitalized assets over periods reflecting their useful lives: major buildings, such as HQ2, are depreciated over 30 years; IT equipment is depreciated over 3–5 years; and
- certain "capital" budget items, which are not capitalized under the Fund's accounting treatment, that are expensed directly in administrative expenditures in the year the disbursements are made.[1]

2. **Key points on administrative expenses are the following:**

- The FY 08 estimated outturn for capital budget expenditures is $46 million. Of this, $25 million is capitalized on the Fund's balance sheet. The remaining $21 million, which includes expenditures on renovations and repairs, security enhancements, and some IT development work, is expensed directly.

[1] Examples of such items include some repair work and those below a threshold of $100,000.

- In addition, a depreciation charge of $35 million related to assets capitalized in previous years is also expensed.

- Thus, the capital items included in overall administrative expenses in FY 08 total $56 million compared with the capital budget expenditure figure of $46 million.

- With the projected outturn for the net administrative budget in FY 08 of $886 million, administrative expenses (including capital–related adjustments) are estimated to be $942 million, and with income of $845 million, there is an estimated income shortfall of $97 million in FY2008.

Over the course of the medium–term budget, administrative expenses very much mirror the path of the net administrative budget, reflecting the $100 million real reduction in spending. In nominal terms, net administrative expenses decline 1.5 percent in FY 09, rise 1.4 percent in FY 10, and rise 1.9 percent in FY 11.

In turn, with projected income rising from about $832 million in FY 09 to about $1,023 million in FY 12, there is a small surplus in net operational income in FY 12.

3. **Under Art. IV, Section 2(b), staff is required to provide estimates of the expenses associated with the administration of the Multilateral Debt Relief Initiative (No. 1 Trust) (MDRI–I), Poverty Reduction and Growth Facility–Exogenous Shocks Facility Trust (PRGF–ESF), and the SDR Departmen**t.[2]

- The estimated cost of administering the MDRI–I in FY 08 is SDR 2.3 million, compared with a budget estimate of SDR 1.6 million. The projected cost for FY 09 is SDR 1.7 million.

- The estimated cost of administering the PRGF–ESF Trust account in FY 08 is SDR 42.8 million, compared with a budget estimate of SDR 50.2 million. The projected cost for FY 09 is SDR 43.0 million.

- The estimated cost of administering the SDR Department in FY 08 is SDR 1.5 million, compared with a budget estimated of 1.3 million. The projected cost for FY 09 is SDR 1.4 million.

[2] In recent years, the Executive Board has decided not to seek reimbursement for the costs of administering the PRGF–Esf Trust. For example, see “Review of the Fund’s Income Position for FY2007 and FY2008” (EBS/07/36), April 9, 2007.

Table 23. Projected Net Income and Administrative Expenses, FY 08 – FY 12 1/

(in millions of U.S. dollars)

	Projected	Budget			
	FY 08	FY 09	FY 10	FY 11	FY 12
Net administrative budget	886	868	880	895	931
Add: Capital budget items not capitalized	21	21	19	18	18
Depreciation expense	35	38	42	46	46
A. Administrative expenses after capital-related adjustments	942	928	941	959	994
Percent change over previous year	0.8	-1.5	1.4	1.9	3.7
B. Operational income	845	832	858	934	1,023
Lending income	307	238	140	101	99
Investment income	432	393	508	576	644
Interest free resources	100	125	133	181	203
Reimbursements	6	76	76	76	76
C. Net operational income (B-A)	-97	-96	-84	-25	28
Memorandum items:					
Administrative expenses after capital-related adjustments (FY 08 dollars)	942	892	870	852	850
Operational income (FY 08 dollars)	845	800	793	830	874
Capital expenditures (budget definition)	46	59	52	44	44
Capital-related expenses (accounting definition)	56	60	62	64	64
Assumed U.S. dollar/SDR exchange rate	1.57	1.65	1.65	1.65	1.65

Sources: Finance Department and Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ "A New Income Model—Income Outlook and Sensitivity Analysis—Proposed Decisions," (EB/CB/08/1).

APPENDIX II

ASSUMPTIONS UNDERLYING THE FY 09–11 MTB

1. **The proposed MTB has been formulated on the basis of a number of decisions and assumptions affecting the Fund's costs of operations**. These include:

- **Staff Salaries**: The FY 09 budget is formulated on the basis of management's 2008 staff compensation proposal.[1] This comprises a 5.7 percent increase in staff compensation, consisting of a 4.2 percent structural increase and a 1.5 percent comparatio adjustment. Since the within–grade salary distribution of departing staff is highly uncertain at this stage, no recovery rate assumption has been incorporated.[2] For FY 10 and FY 11, the merit envelope is assumed to rise by the same percentage as in FY 09, and the recovery rate is again set to zero.

- **Staff Retirement Plan (SRP):** The total proposed funding level for the SRP in FY 09 is $103.2 million,[3] consistent with the normal contribution rate of 14 percent of pensionable gross remuneration (PGR) agreed by the Executive Board in 2004 and reaffirmed in January of this year. [4] This amount includes:

    - $76.1 million, representing 14 percent of the PGR of staff who are expected to remain in active service, to be funded by the FY 2009 administrative budget;

    - $27.1 million, representing 14 percent of the PGR of (an estimated) 300 departing staff, to be funded from the restructuring budget. This in turn consists of $9.1 million, which is 14 percent of the FY 09 PGR for the estimated 300 departing

---

[1] "2008 Review of Staff Compensation"(EBAP/08/18, 3/18/08).

[2] In a typical year, outflows of (usually more senior) staff and inflows of (usually more junior) staff, combined with promotions, act to reduce actual average salaries relative to salary range midpoints. It is not yet clear whether staff leaving under voluntary (and possibly mandatory) separation in FY 09 and FY 10 will tend to be in the upper or lower ends of their salary ranges. Moreover, there are expected to be relatively few new hires, particularly in FY 09.

[3] "The Fund's Contributions to the Staff Retirement Plan in FY 2009," (forthcoming).

[4] A revised funding framework was endorsed by the Pension Committee and adopted by the Executive Board in 2004, with the intent of stabilizing the Fund's annual contributions to the SRP. The funding framework reflects a 2:1 contribution ratio for the Fund and participants, with the Fund contributing 14 percent and participants contributing 7 percent. "The Fund's FY2005 Contribution to the Staff Retirement Plan," (EBAP/04/31, 3/25/04). See also "Staff Paper on Reform of the Staff Retirement Plan," (RP/CP/08/5, 1/22/08).

staff, and $18 million, representing 14 percent of the PGR for 22.5 months of separation leave for departing staff.[5]

The full $103.2 million will be added to the pension reserve, also in accordance with the Board's 2004 decision.[6] In recent years, favorable investment returns, combined with changes to the asset valuation methodology, have reduced the required annual contributions calculated by the Fund's actuary. The contribution rate indicated by the actuary for FY 09 is zero percent of PGR, down from 3.8 percent in FY 08 and 20.09 percent in FY 07.[7] As a result, an estimated $85.2 million would be added to the SRP reserve account, bringing the balance to an estimated $184.5 million, with an additional $18 million added to reserve as separation leave is paid over time.

SRP contributions in FY 10 and FY 11 are assumed to remain at 14 percent of PGR.

- **Retired Staff Benefits Investment Account (RSBIA):** The proposed budgetary contribution to the RSBIA is not a separate decision, but is adopted by the Executive Board as part of the proposed administrative budget. A contribution of $37 million to the RSBIA is proposed for FY 09, above the $21.1 million required minimum employer contribution calculated by the Fund's actuary. However, this is slightly below the last two years' budgetary contributions to the account ($39 million).[8] This takes into account reduced staffing levels resulting from the restructuring exercise, the same increased rates of retirements in future years assumed for the SRP, and the lower anticipated medical costs under the new MBP (see below). While the RSBIA is not fully funded, the contribution provides prefunding that covers the current liability and provides additional funds to meet likely cost increases in future years. For FY 10 and FY 11, contributions are assumed to remain constant at $37 million.

- **Medical Benefits Plan (MBP):** No increases in the MBP contribution rates were assumed in budget projections for FY 09–11. However, this may need to be revisited

---

[5] To the extent that affected staff separate before using their maximum separation leave entitlement, the Fund would make no further contributions to the SRP for those participants, and the Restructuring Budget would be under spent.

[6] The Board agreed that, should the Actuary propose a contribution rate in excess of 14 percent, the balance would be drawn down from the SRP reserves; symmetrically, when the Actuary's recommendation is less than 14 percent, the Fund would still pay 14 percent, with the amount in excess of the Actuary's recommendation replenishing the voluntary reserve. (EBAP/04/31, 3/25/04)

[7] In 2006, the Pension Committee approved the Fund actuary's recommendations to change the asset valuation method to track the market value more closely. See "Staff Retirement Plan Review of Actuarial Assumptions and Methods" (RP/CP/06/11, 10/12/06).

[8] See section D. RSBIA Costs of "Reform of the Staff Retirement Plan," (RP/CP/08/5, 1/22/08).

based on the experience of the recent reforms and the Board will be updated accordingly.

The MBP reforms were implemented on January 1, 2008, following approval by the Executive Board. These reforms were based on the work of the Task Force on the Reform of the MBP established in the fall of 2006, and resulted in the selection of Aetna Global Benefits (AGB) as the Fund's new Preferred Provider Organization, given its broad network of healthcare providers and deeper discounts.

- **Expatriate benefits**: Expenditures on expatriate benefits are expected to decline by some 5 percent in FY 09, relative to the FY 08 budget, reflecting the impact of the new home leave policy on unit costs, as well as lower volumes. For FY 10–11, unit costs for home leave are assumed to grow in line with the external deflator, and about 2 percent higher for the children's education allowance.[9]

- **Staff standard costs**: Based on the above decisions and assumptions, staff standard costs have been estimated to rise by 4.5 percent in FY 09, 4.7 percent in FY 10, and 5.0 percent in FY 11. These rates of increase are higher than those estimated for the FY 08–10 MTB (4 percent in FY 08, 3.8 percent in FY 09 and 3.5 percent in FY 10, reflecting a compensation award that is some 2 percentage points higher than previously assumed, which is only partially offset by the moderation in benefits cost increases.

- **Travel costs:** The increase in travel costs experienced in FY 08 is expected to be offset in FY 09 and beyond, by the introduction of a designated airline program and other travel policy changes to better control costs. These changes will become effective on May 1, 2008.[10]

- **Other costs** are assumed to rise in line with the external deflator—estimated at 4 percent per annum, compared to 2.7 percent in FY 08.

---

[9] "Changes to Home Leave Policy," (Staff Bulletin No. 06/13, 7/25/06).

[10] "Report of the Working Group on Travel Policy," (EB/CB/07/04, 7/26/07).

APPENDIX III

PROJECTED OUTTURN FOR FY 08

1. **The projected outturn for FY 08 as a whole indicates an under spend of some $35 million** (Table 24).[1] This is largely because of a higher-than-expected staff vacancy rate and the unused contingency reserve. Notwithstanding the projected under spend, departments remain broadly on target to deliver their planned outputs.

2. **Salary expenditures are expected to end the year about $13 million (or 3 percent) under budget**. This is because the staff vacancy rate is projected to reach 8.8 percent by year-end, higher than the 5.8 percent assumed in formulating the budget, in part reflecting departments' caution in filling vacancies, the temporary change in the hiring policy announced in November 2007, and the restructuring exercise. As a result, staff turnover (appointments and separations) has slowed significantly when compared with the first half of FY 08. By the end of the year, staff project about 70 unutilized FTEs.

3. **Benefit expenditures are projected to be only $1 million below budget**. Lower than budgeted contributions to the SRP and MBP—a reflection of the high staff vacancy rate discussed above—and other allowances are projected to be more than offset by an expansion of the Separation Benefits Fund program in the first half of the year, when the initial $5 million provision was doubled to $10 million. Home leave expenditures—both volume and unit costs—are also likely to be higher than expected. The significant volume increase (15 percent over last year) is the result of staff completing their final entitlements under the old policy as the Fund transitions to the new lower-cost home leave entitlements.

4. **Travel expenses are expected to end the year $2.5 million under budget as higher than planned airfares are more than offset by lower travel volumes.** Airfares have increased by 12 percent on average, with fares to Africa and Asia about 15 to 20 percent higher than planned for in the time the FY 08 budget. While the number of Fund-financed missions are projected to be lower than last year's–all volume indicators (the number of missions, mission persons, and mission nights) have declined–externally-financed capacity building missions continue to increase.

5. **Buildings and other expenses are expected to be some $4 million below the budget provisions.** This reflects relatively small under spends in a wide range of accounts, the largest being lower than expected telecommunications costs and spending on external consultants and vendors.

---

[1] The report issued to the Executive Board on December 21, 2007 (EB/CB/07/7) indicated an under spend in the range of $25-$30 million.

6. **Receipts are expected to exceed budget estimates by close to $5 million, mostly reflecting higher draw downs of donor contributions for capacity building projects**. In particular, Central AFRITAC became fully operational in FY 08, and activity also picked up in the East and West AFRITACs. Moreover, there was greater use of funds provided by Japan, and a large new project in Macedonia gained momentum. The estimated outturn for total receipts reflects higher estimates in several categories, including the Concordia, miscellaneous receipts, and a $2 million accruals reversal based on the FY 07 outturn.

7. **Available performance indicators for the first three quarters of the financial year are provided in (Table 25)**. The larger share of resources for country and regional monitoring reflects continued emphasis on financial sector surveillance. There were fewer financial programs than anticipated, while the number of non financial program monitoring cases increased. Resources allocated to capacity building were slightly below expectations, though the share covered by external donor financing continued to increase. That said unlike previous years, fourth quarter indicators are subject to uncertainty.

Table 24. Administrative Budget and Expenditures, FY 08

(in millions of U.S. dollars)

	FY 08		
	Budget	Projected Outturn	Outturn - Budget
1. Net Budget (1)	**922**	**886**	**-36**
2. Receipts (2)	**-71**	**-76**	**-5**
3. Gross Expenditures (1 + 2)	**994**	**962**	**-32**
Personnel	723	709	-15
Salary	425	411	-13
Benefits and other personnel expenditures	299	297	-1
of which: Separations Benefits	5	10	5
Travel	101	97	-3
Business	88	84	-4
Other	13	13	0
Building and other expenditures	161	156	-4
Building Occupancy	55	54	-1
Information Technology	42	41	-1
Other	64	61	-2
Reserves	10	0	-10

Sources: Office of Budget and Planning and PeopleSoft Financials.

Note: Figures may not add to totals due to rounding.

Table 25. Summary of Selected Strategic Performance Indicators, FY 08: Q3
(Cumulative, unless noted otherwise)

	FY 08 Plan	FY 08:Q1-Q3 Outturn
Global monitoring		
Oversight of the International Monetary System (IMS)		
Number of policy and analytical papers prepared for and distributed to stakeholders 1/	n.a.	20
Multilateral surveillance		
Number of multilateral consultation reports completed	1	1
Cross-country statistical information and methodologies		
Number of statistical manuals and guides published	22	23
General research 2/		
Number of research papers issued or published	479	287
General outreach		
Number of dissemination events (press conferences and speeches)	450	282
Number of interactions with external constituencies 3/	n.a.	560
Country specific and regional monitoring		
Bilateral surveillance		
Non-streamlined Article IV consultations concluded	135	95
Streamlined Article IV consultations concluded	18	15
Regional surveillance		
Number of regional surveillance reports completed 4/	5	2
Number of regional papers discussed at Executive board or published	11	7
Standards and Codes and Financial Sector Assessments		
FSAPs completed	9	4
FSAPs initiated	3	6
Stand-alone Fiscal and Statistical ROSCs assessments completed	17	9
AML/CFT assessments and updates completed	n.a.	3
Country programs and financial support 5/		
Generally available facilities	24	28
Upper credit tranche facilities (SBA, SRF, EFF and CFF)	10	7
of which: SBAs	9	7
EFFs	1	0
Emergency assistance facilities (ENDA and EPCA)	3	2
EPCAs	3	2
Non-financial monitoring programs (PPM, SMP, other near program monitoring)	11	19
PPMs	1	2
SMPs	2	5
Other near-program	8	12
Facilities specific to low-income countries		
Upper credit tranche facilities (PRGF and PRGF Exogenous Shocks Facility)		
Number of programs (PRGF)	33	28
Number of Policy Support Instruments (PSI)	6	5
Capacity building		
Technical assistance		
Number of TA reports	n.a.	224
External training		
Participant training weeks	9,780	9,528
Number of participants trained	4,720	5,626

Source: Office of Budget and Planning.

1/ Board of Governors, IMFC, G-7, G-8, G-10, G-11, G-20, G-24, FSF, APEC, Development Committee, and ECOSOC.
2/ Total research.
3/ With civil society organizations, legislators, other bodies, including think tanks and academia.
4/ Formal regional surveillance: CEMAC, ECCU, EU and WAEMU.
5/ Stock at end of the quarter.

RECEIPTS

1. **Increasing Fund receipts is a central part of the new budget strategy.** Receipts fall into two categories: (i) general receipts, which result from items like sharing arrangements with the World Bank, parking revenues, Concordia Hotel, etc; and (ii) external donor funding, principally for TA and training. In maximizing non–personnel savings, efforts have been made to increase general receipts where possible, without compromising the attractiveness of the Fund as an employer. Additional donor support for capacity building galvanized through topical trust funds (see below) is expected to help the Fund offset some of the cuts in TA and training. Moreover, should there be strong demand for TA delivered through RTACs, there could also be an increase in TA output in real terms relative to the pre–downsizing baseline.

Table 26. Receipts, FY 08 – FY 11
(in millions of U.S. dollars)

	FY 08	FY 09	FY 10	FY 11	Percent Change FY11 - FY08 1/
Externally financed technical assistance 2/	44	61	60-69	63-76	32
Scholarships (including administrative fees)	5	6	5	5	-19
Fund-sponsored sharing agreements 3/	6	5	5	6	-22
Publications income	4	4	4	4	-9
Concordia apartment	2	3	4	4	53
Other miscellaneous reimbursements 4/	7	17	20	21	153
Of which:					
HQ2 leasing	0	2	5	5	...
Reimbursement of investment office costs	...	3	3	3	...
Travel commissions and rebates	5	10	10	10	71
Parking	2	3	4	4	57
Total	71	99	102-111	106-119	36

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Percentage change based on central estimates.

2/ Includes the payments the Fund receives from donors towards administrative costs of providing externally financed technical assistance.

3/ Includes reimbursements principally provided for the World Bank for administrative services provided under sharing agreements, including the Joint Bank/Fund Library and the Bank/Fund Conference Office.

4/ Includes reimbursement for overseas offices and revenue and funding from agreements with donors, reimbursement from the SRP of administrative expenses of the Investment Office, rent from HQ2 commercial leases, travel commissions and rebates, and interest.

2. **General receipts** are expected to increase by some 50 percent in nominal terms, largely reflecting initiatives identified by several of the working groups commissioned by the Managing Director. The salient contributors are:

- The reduction in staff, which will free up office space that will be leased to the World Bank, and higher rates at the Concordia.
- On the recommendation of the pension committee, administrative expenses of the pension investment office will be reimbursed by the staff retirement plan.
- Parking charges will be aligned with market levels.
- An increase in travel rebates have been negotiated by TGS.

3. **Donor financed capacity building activities** are expected to rise sharply by FY 11. While in the short term this reflects an increase in commitments for ongoing programs, the Fund in the medium term will strengthen its partnership with donors through:[1]

- Bundling TA through a **menu of topical trust funds.** This menu will focus on trust funds, which fit well into donors' development strategies and reflect our institutional priorities.
- Expanding delivery through the **RTAC's model,** which complements headquarters–based TA. RTACs are considered highly successful partly because their structure (recipient countries, donors, and Fund staff together prioritize TA) builds stakeholder ownership of work programs. Also RTACs physical proximity to the countries they serve, allows them to respond promptly to urgent or frequent TA requests.

[1] The Fund will also maintain existing partnerships with donors through the current subaccount structure, which is important for those donors that have delegated their budgets to field offices for TA interventions.

APPENDIX V

THE FY 09 CAPITAL BUDGET AND THE MEDIUM–TERM CAPITAL PLAN

A. The Fund's Capital Budget: An Overview

1. **The capital budget comprises projects under three categories**: building facilities, IT, and major building works (Table 27).

- Building facilities comprise regulatory, replacement, revenue generating, and new facility projects.
    - *Regulatory or security project*s are mandated by changes to building codes or industry regulations, or are considered to be essential for the protection of Fund staff and property.
    - *Replacement projects* provide for the replacement of building structures or equipment for life–cycle reasons, business requirements, or to increase reliability to avoid high cost and risk of system failure towards the end of their life-cycle.
    - *Revenue generating* projects enable the Fund to develop with partners new business opportunities to earn income on a sustainable basis on existing capacity.
    - *New facility projects* provide new functions or capacity within the existing headquarters buildings (e.g., the reconfiguration of office and cafeteria space to accommodate the childcare center).

Table 27. Outturn and Projected Capital Expenditures, FY 02 – FY 11 1/
(in millions of U.S. dollars)

Major Program Area	Outturn						Estimated	Planned		
	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11
Building Facilities	22.9	14.0	14.3	30.6	21.0	16.1	17.5	25.8	22.3	18.5
Budgets approved prior to FY 09	22.9	14.0	14.3	30.6	21.0	16.1	17.5	18.4	9.9	n/a
FY 09 Budget								7.4	7.0	2.3
Medium-term FY2010-FY2011 Plan								n/a	5.4	16.2
Information Technology (IT)	30.7	24.8	21.5	34.2	26.9	24.1	28.4	33.3	29.4	25.5
Budgets approved prior to FY 09	30.7	24.8	21.5	34.2	26.9	24.1	28.4	17.2	4.2	n/a
FY 09 Budget								16.1	9.7	5.7
Medium-term FY 10-11 Plan								n/a	15.5	20.2
Total Building Facilities and IT	53.6	38.8	35.8	64.8	47.9	40.2	45.9	59.1	51.7	44.0
Major Building 2/	7.9	13.5	52.4	61.2	7.0	5.3	0.1	0.0	0.0	0.0
Budgets approved prior to FY 09	7.9	13.5	52.4	61.2	7.0	5.3	0.1	0.0	0.0	0.0
Total Capital Expenditures	61.5	52.3	88.2	126.0	54.9	45.5	46.0	59.1	51.7	44.0

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Expenditures reflect disbursements against budget approvals, which for capital items have a life of three years. Thus, expenditures in any given financial year may correspond to projects budgeted for under any of the last three capital plans.

2/ Includes HQ Phase III and HQ2.

- The purchase of IT microcomputers, servers and other infrastructure equipment, and similar IT projects have been a part of the capital budget since FY 88. In FY 00, the Executive Board approved the inclusion of major software development projects in the capital budget, reflecting public and private sector best practices. All IT projects are grouped into four major initiatives:

    - Projects in the *Enterprise Information Portfolio* are dedicated to the core work of the Fund. These projects support enhanced economic analysis and data management, strengthen our ability to share and manage the Fund's knowledge and information assets, and transform the way that staff work and interact with colleagues and key constituencies.

    - The *Financial and Administrative Information Portfolio* supports modernization and automation of the Fund's financial, human resource and other administrative processes. These projects support a more automated data manipulation and efficient administrative operations to deliver the modernization agenda.

    - Underpinning all IT projects is the *Infrastructure and Connectivity Portfolio* which finances the life cycle replacement of computing, printing, and communications assets to ensure that the Fund continues to have a modern, cost–effective, secure, and robust IT environment.

    - The *IT Planning and Management Portfolio* covers projects that affect the entire IT function and/or the way IT is delivered.

- The construction of HQ2 has been the only major building works project in recent years; no major building projects are planned in the medium term.

2. **The capital budget procedures have remained unchanged since the major reforms that occurred in FY 03**, when the budget regime changed to a multi–year funding approach in which approved funds are available to projects for a period of three consecutive years. Funds unused by the end of the three–year period lapse; projects that extend longer than three years necessitate Executive Board approval of new funding appropriations.

3. **All capital projects are subject to careful scrutiny before funding is approved**. All IT capital projects are reviewed by a steering committee, which assesses project alignment with business needs, return on investment, and cost–benefit analysis (CBA). Building facility capital projects are evaluated based on need, urgency, and contribution to the life of the building and are subject to CBA.

B. The Formulation of the Capital Budget

4. **The resource envelopes for the IT and building facilities components of the Fund's capital budget are derived using benchmarks, as described below**. However, these benchmarks establish upper limits—not the precise size of the budget needed. A bottom–up exercise is required to assess the business case for each project, assign priorities, and build up the capital plans on a project–by–project basis within the limits of the overall envelopes. Box 6 describes this bottom–up approach.

- **The benchmark for building facilities.** In recent years, investment in facilities replacement/modernization capital projects was about three percent of the replacement value of HQ1–consistent with external benchmarks for similar buildings. However, following the events of September 2001, considerable resources were appropriated to security initiatives, which crowded out several life–cycle replacement and modernization projects. Since FY 06, the share of security expenditures have decreased from 41 percent of total facilities expenditures to 15 percent in FY 08. Going forward, the focus will be on life–cycle replacements and modernization to maintain high quality office space and generate additional revenues to the Fund.

  More recently, a new method of assessing and evaluating life cycle replacement and modernization projects was adopted. According to the new approach, the condition of all building components will be assessed on a regular cycle of 3 to 5 years. In FY 08, TGS engaged outside consultants to conduct a facilities assessment and develop a program going forward. As a result, a comprehensive categorization of all of the architectural systems of HQ1 (and a partial analysis of other major assets, their life expectancy, and projected capital expenditures necessary to maintain them) was undertaken. By early FY 09, all of the major building assets will have been analyzed and a thorough assessment completed. This will allow the Fund to assess alternative scenarios of investment, and the resultant change in the asset valuation over a longer period of time. This will help provide a more robust methodology for formulating the building facilities capital plan. The new approach will be fully implemented for the FY 10 capital budget submission.

- **The benchmark for IT.** In recent years, the Fund has generally contained total IT expenditures (capital plus administrative) to a benchmark figure of no more than 11 percent of the total net administrative and capital budgets.

  The overall FY 09 IT capital budget proposal is unchanged in dollar terms relative to that of last year's capital plan. However the composition of the four portfolios and the distribution of proposed funds among portfolios have changed to accommodate new projects that support the Fund's refocusing. The IT budget also reflects planned, necessary PC and server refreshes in FY 09 and FY 10.

- **The benchmark for major building works.** In this area, each project is treated as one–off; budgets are approved by the Executive Board, and regular progress reports of expenditures against the budget profile are submitted. No further projects in this category are planned for the medium–term.

5. **New governance arrangements and processes have been put in place to oversee the IT capital budget and to monitor project status throughout the year** (Box 7). Business-led IT governance committees oversee, and are responsible for, the effective management of the Fund's IT investment, including the bottom-up formulation of the IT capital budget. Projects have strong business ownership and sponsorship to ensure that they are well aligned with the institution's business needs, and project performance is continually monitored to ensure that projects deliver the expected benefits.

Box 6. Formulation of the Capital Budget—The Bottom Up Approach

Vetting projects for inclusion in the capital plan

All proposed capital projects undergo careful scrutiny before they are recommended for inclusion in the capital budget. Project sponsors must provide a business case that clearly justifies the costs of the project in terms of the value it will provide.

For most projects, the business case takes the form of a formal cost–benefit analysis with the following components: (i) an estimate of all costs over the useful life of the investment less the estimated terminal value; (ii) an estimate of all quantifiable benefits, and descriptions of all non–quantifiable benefits; (iii) key assumptions (including price increases) and calculations; (iv) a net present value calculation for projects of $1 million or more and a payback analysis for projects under $1 million; and (v) sensitivity analyses using alternative assumptions and discount rates.

Priorities for building facilities capital projects are established by TGS, as the Fund's facilities manager, in consultation with OBP, based on the scale and nature of the proposed project—whether driven by regulatory, security, capital maintenance or equipment redundancy considerations.

For IT projects, a new process was introduced this year with the aim of ensuring alignment with the Fund's reform agenda and strengthening business involvement. The process, has several key elements:

- *Strategic planning* – The Chief Information Officer (CIO) initiated a new exercise involving discussions with senior staff throughout the Fund to understand medium–term business objectives and how IT could serve as an enabler in key business areas of the Fund (e.g., surveillance, capacity building). These findings were endorsed by Committee on Business and Information Technology (CBIT) and provided the context for project bids.
- *Alignment with "refocusing and modernization*"–As IT capital proposals were reviewed, their fit with the Managing Director's statement on the strategic directions for the Fund was also ascertained.
- *Reformulation "from the ground up"*—To ensure that the entire IT portfolio would be aligned with business needs, projects already under way were—for the first time—re–evaluated together with proposals for new initiatives
- *IT governance involvement* (see Box 7)—The IT Steering Committees led evaluations of the proposals, often seeking clarification from sponsors on the promised business value. The Steering Committees also recommended funding allocations to fit the proposals within the budget envelope. The Steering Committee recommendations were subsequently endorsed by the Business and Information Technology Advisory Group (BITAG) and CBIT.

Vetting projects when funds are released

Approved projects receive financing in tranches which balance the needs of the project with the efficient use of budgetary resources. Funding releases do not occur automatically; sponsors must provide OBP with up–to–date information on the project status, including a revised cost–benefit analysis. In addition, releases are typically tied to the accomplishment of specific project milestones to facilitate project monitoring.

Box 7. IT Governance

The CIO position was established in FY 07, in line with a key recommendation in the FY 05 IT Spending Review. The CIO has overall responsibility for the Fund's IT and information management program.

Following the appointment of the CIO, IT governance arrangements were revamped to strengthen accountability, business involvement, alignment with business needs, and project management. The new arrangements include:

- *CBIT* is an executive–level committee chaired by management with membership at the department head level. It ensures that the Fund's IT strategy is aligned with institutional objectives, oversees the management of IT investments, and sets Fund–wide information management and IT policy and standards.

- *Steering Committees* have been established to oversee each of the three main capital project portfolios. Steering Committees are chaired at the department–head level with membership from senior staff across departments. Responsibilities include:

    - Reviewing IT projects, and making funding recommending to CBIT

    - Monitoring and reporting on project progress and outcomes, and intervening to ensure that projects stay on track and deliver expected benefits

    - Advising CBIT on proposed business practices and technology standards.

- *BITAG* with representatives from all departments serves as a sounding board for the CIO to provide advice and feedback on IT priorities, service delivery, and approaches.

Strengthened project management practices have also been put in place. All IT capital projects must prepare, register, and maintain project plans in a portfolio management tool which is used to monitor project progress and spending against scheduled milestones and budgets. The Steering Committee chairs receive monthly reports on the projects within their purviews.

C. Capital Projects Planned for FY 09

Table 28. Facilities Capital Budget Projects

Project	Description	FY 09 Budget (Thousands)	Estimated Completion	Main Benefits
Regulatory/ Security		**500**		
Health, Safety, Environment (HSE)	• Merge the current HSE data management, communications and program monitoring methodologies into a fully integrated system.	500	FY 10	• Provide framework and tools to enable emergency planning and crisis management with respect to HSE. • Provide a centralized repository for Health, Safety and Environmental information. • Provide tools to enable program monitoring.
Replacement		**11,300**		
Office and Building Renovations	• Complete office renovations required to support departmental moves and reorganizations. • Perform renovations to implement more extensive audio-visual capabilities.	800	FY 10	• Adjusts office layouts to align with organizational changes • Increase organizational effectiveness through the use of easy to operate audio-visual equipment in conference facilities.
Food Service Improvements	• Complete study and undertake design phase for HQ1 cafeteria alterations that will improve food service operational efficiency as well as address end of life-cycle replacements in the service and dining areas.	500	FY 09	• Rationalize the space allocated to food service production and customer service in HQ1 cafeteria.
Workplace Review and Revisions	• Review the Fund's space allocations and types of workspaces required. • Determine if HQ1 can accommodate increased occupancy. • Study alternative work space options and layouts to see if operational and cost efficiencies can be attained	500	FY 10	• Align Fund HQ facilities with new institutional direction and future work program. • Potential to improve efficiencies of departmental layouts to reduce the per capita cost of Fund facilities.
HQ1 Building Maintenance and Improvements	• Perform design work required to replace fire alarm systems near the end of their useful life. • Initiate work to replace aged roofing and implement sustainability upgrades where appropriate. • Replace heating and cooling control units that have reached the end of their useful life. • Continued refurbishments to HQ1 restrooms, including replacements of piping and	9,500	FY 10	• Continue to operate the HQ1 building consistent with other comparable Class A headquarters office buildings. • Integrate cost-effective sustainable measures in concert with building system replacements to reduce the Fund's energy and water consumption and its carbon footprint.

Project	Description	FY 09 Budget (Thousands)	Estimated Completion	Main Benefits
	fittings and installation of cost-effective "green" fixtures. • Refurbish mechanical systems and controls for four elevators which have reached the end of their useful life. • Replace an aged and inefficient chiller which supplies the building with conditioned (cooled) air. • Replace electric transformers near the end of their useful life. • Use Facility Condition Assessment data to implement replacements to building systems and architectural elements determined to be at or beyond their normal useful life.			
Revenue Generating		**3,000**		
World Bank Lease Renovations, Phase I	• Complete renovations and staff moves required to accommodate the leasing of the 9th floor in the HQ2 facility.	3,000	FY 10	• Provide a revenue stream of approximately $2.3 million per annum.
New Facilities		**950**		
Media Center	• Build a Multi–Media Center in HQ facilities with modern video and audio equipment to facilitate communication both internally and externally.	950	FY 09	• The facility will create an efficient mechanism through which Staff can communicate with country authorities and external audiences. • Facility will also enable the production of videos for internal and external audiences to promote deeper understanding of Fund's activities and policies. • Having a permanent and dedicated facility for press briefings will enhance the quality of the Fund's various communications, including internal and external strategic initiatives to country authorities, media, staff and other organizations.
Contingency		**950**		

Table 29. Information Technology Capital Budget Projects

Project	Description	FY 09 Budget (Thousands)	Estimated Completion	Main Benefits
Financial and Administrative Portfolio		**6,250**		
Human Capital Management (HCM) Reengineering	Modernize human resource management and payment functions by: • Adopting HCM best practices from other organizations and outsourcing, where appropriate. • Applying technology to enable redesigned business processes.	2,200	FY 11	• Reduced HRD and FIN manpower and operating costs. • More efficient and timely human resource payment processes.
Integrated Budgeting and Business Intelligence System (iBBIS)	• Modernize administrative operations by implementing tools to streamline and strengthen budget formulation, monitoring, and reporting.	575	FY 11	• Reduced staff resources devoted to budgeting. • Increased time spent on data analysis (rather than data gathering and manipulation). • More accurate and timely information. • Increased measurement of outputs.
Travel Policy Reforms Implementation	• Modify software applications to enable implementation of travel policy reforms recommended by the Travel Policy Working Group and endorsed by management.	425	FY 09	• Savings in travel costs. • More timely expense reporting. • Streamlined travel policies and processes in line with best practices.
Financial System Upgrades and Improvements	• Perform contractually required upgrade of the commercial software system that supports processing of member financial transactions. • Implement changes needed to support new income model and other agreed changes to financial policies.	750	FY 11	• Continued timely and reliable operations in processing member financial transactions. • More efficient generation of financial reports. • Accurate accounting, recording and reporting on new transactions related to income.
TA Reforms	• Apply technology to enable changes in the Fund's TA framework recommended by the Internal Evaluation Office and identified in the MD's statement on Strategic Directions.	250	FY 09	• Improved prioritization of TA requests and allocation of TA resources. • Facilitate increased reimbursement of TA delivery costs by external donors. • Enhanced accuracy, transparency and efficiency in reporting to donors. • Improved quality and efficiency of TA delivery.
Enterprise Administrative System Enhancements	• Apply workflow capabilities to existing applications.	350	FY11	• Enhanced staff efficiency. • Easier and more granular tracking of process status. • Reduced application maintenance costs.

Project	Description	FY 09 Budget (Thousands)	Estimated Completion	Main Benefits
Financial and Administrative Central Pool[1]	• Funding available for projects: (i) after initial budget allocation has been utilized, and (ii) the business case for additional funding has been approved.	1,700		
Enterprise Information Portfolio		**8,750**		
Desktop@IMF	Modernize the way that staff perform their work by: • Implementing a rich suite of integrated tools to strengthen collaboration, communication and information management in the Fund. • Upgrade the Fund Intranet. • Establishing and applying the standards and tools to support better "findability" of information in internal repositories and web sites.	1,550	FY 11	• Enhanced productivity and quality through better sharing and utilization of the Fund's knowledge assets. • Reduced time and cost to create, share, and manage our intranet and information in the Fund. • Improved support for teamwork and collaboration across and within departments. • Easy access to information gathered from disparate sources for an "all about" view of a given topic or country.
Records and Archives	• Digitize text and capturing metadata of materials that are in greatest demand and make them available online in the Institutional Repository. • Develop online catalogs and other finding aids to facilitate access to archive materials. • Develop an Electronic Archives – a self–service model for access to the Archives both within and outside the Fund.	900	FY 11	• Better management of paper records. • Automated capture and life cycle management of electronic records. • More archival material available in electronic form. • Increased transparency.
Financial Risk Analysis	• Support the refocusing initiatives by developing specialist models and other analytical tools to strengthen Fund analyses of financial markets.	470	FY 09	• Strengthened assessments of macro shocks and portfolio credit risks. • Easier assessments of public debt portfolio risks.
Improved Forecasting	Support initiatives to enhance analyses of spillovers and linkages by: • Developing tools to improve forecasting accuracy. • Building a Global Projection Model for forecasting and analyzing inter-regional demand and supply shocks.	420	FY 11	• Improved forecasting and analysis of cross-regional supply and demand shocks. • Strengthened foundation for policy discussions with country authorities.

[1] In order to stay within the capital budget envelope proposed FY 09, the proposed project budgets are lower than requested and the remaining funds have been pooled. Projects may request funding from the pool after they have utilized their initial budgetary allocations and have presented a viable business case for additional funds.

Project	Description	FY 09 Budget (Thousands)	Estimated Completion	Main Benefits
IMF.ORG and Economic Data Dissemination	Modernize and enhance the Fund's external web site by: • Implementing new technologies to enhance outreach to and dialogue with stakeholders. • Developing a service-oriented, interactive web site to showcase and deliver the Fund's statistical data products, and enable improvements in the production and dissemination of those products.	1,620	FY 11	• Improved search and navigation. • More content, up-to-date. • More visual communications and interactive, dynamic graphs. • Improved timeliness and consistency of Fund data products. • Cost savings from improved productivity and less print production.
Financial Stability Portal	• Support refocusing and modernization initiatives by establishing an interactive and user-friendly portal for disseminating information related to financial stability and capital market developments.	670	FY 09	• Increased dialogue with internal and external audiences on issues related to financial stability. • Enhanced dissemination of information prepared by the Fund and others on financial stability.
Collaboration with Trusted Partners	• Implement new technologies to modernize existing extranet sites (including Executive Directors' extranet) and to support collaboration with trusted partners.	430	FY 11	• Improved collaboration with World Bank. • Better position the Fund in facilitating exchange of information and ideas with trusted partners.
Economic Data Facility and Warehouse	• Implement enhanced tools to support STA data management and publication activities. • Introduce an easily accessible Fund-wide repository of timely economic data and corresponding explanatory information (metadata). • Perform a mandatory upgrade of the software platform of several enterprise information applications.	1,020	FY 10	• Cost reductions through automation of labor intensive processes. • Easier data aggregation, validation and analysis. • Reduced resources for data collection and data management. • Better understandability and re-use of data from better documentation. • Reduced data reporting burden for members.
Country Desk Data Management	• Provide support in migrating country desk data from spreadsheets to structured data bases.	630	FY 11	• Enhanced productivity. • Strengthened data management practices in line with recently revised Fund-wide Data Management Guidelines.
Language Services Translation Outsourcing	Modernize the administration of language services by: • Introducing new tools for assigning and managing outsourced translation work. • Providing collaboration capabilities and Fund-specific translation tools to outsourced translators.	360	FY 09	• Cost savings from increased use of outsourced translators. • Improved quality of outsourced translations.

Enterprise Information Pool [2]	• Funding available for projects: (i) after initial budget allocation has been utilized, and (ii) the business case for additional funding has been approved.	680		
Infrastructure and Connectivity Portfolio		**14,500**		
Microcomputer and Printers Upgrade	Perform software upgrades and life cycle replacements to stay abreast of industry standards. • Upgrade microcomputer operating system to MS Vista and office productivity suite to MS Office 2007. • Perform life cycle replacement of all Fund desktops and laptops. • Upgrade shared print facilities • Reduce non-network printer inventory.	7,500	FY 11	• Alignment with industry standards. • Easier-to-use desktop applications. • Enhanced functionality. • Reduced operating costs. • "Greener" environment. • Improved print services.
Network and Communications Upgrade	• Expand and upgrade hardware and software to support data, voice, and audio-visual needs. • Support field connectivity needs.	2,800	FY 11	• Easier, more cost-effective communications with field sites. • Secure and reliable communications infrastructure. • Alignment with industry standards. • Enhanced ease of use through integrated voicemail and email.
Server and Storage Upgrade	• Rationalize the distribution of applications and data among servers • Perform life cycle replacements of server and storage devices	900	FY 11	• Reduced operational costs and increased reliability. • Provision for capacity for new applications and growth in data holdings.
Enterprise Provisioning and Service Management	• Apply technology to automate the management of staff access to applications and information resources • Implement industry-standard practices for managing core IT services such as problem management and configuration management	1,200	FY 10	• Provides a simple tool for departments to manage changes associated with staffing. • Improved productivity. • Strengthened security of Fund information assets. • More efficient IT operations. • Improved used support.
Infrastructure and Connectivity Central Pool [2]	• Funding available for projects: (i) after initial budget allocation has been utilized, and (ii) the business case for additional funding has been approved.	2,100	FY 09	
IT Planning and Management	Funding for projects that affect the entire IT function and/or the way IT is delivered.	**2,000**	FY 10	

[2] In order to stay within the capital budget envelope proposed FY 09, the proposed project budgets are lower than requested and the remaining funds have been pooled. Projects may request funding from the pool after they have utilized their initial budgetary allocations and have presented a viable business case for additional funds.

APPENDIX VI

STATISTICAL TABLES

This annex contains a number of historical tables on the Fund's administrative budget and expenditures

- Tables 30 to 33 set out time series on the Fund's administrative budget and expenditures, employment and salaries, the use of Fund credit and income, and administrative expenses by category of expenditure.

- Table 35 to 36 provide information on staff positions and FTEs by department and total employment.

- Tables 37 and 38 give information on capacity building work: Table 37 on the number of courses and participants in IMF Institute Training Programs; Table 38 on the sources of financing and the regional distribution of technical assistance and training.

- Table 39 presents the distribution of the Fund's outputs on the basis of the previous five categories of outputs and the current four key output areas, including a bridge year.

- Tables 40 and 41 provide information on business travel expenditures by department and on average size and length of missions.

- Table 42 gives information on selected indicators of work pressure, by department and by staff grade.

- Tables 43 to 50 contains information on Resident Representative offices and overseas offices, regional TA centers, and regional training institutes.

- Table 51 provides information on PRGF expenses and Table 52 on generally available facilities (GAF) expenses.

Table 30. Use of Fund Credit, Net Income, Gross Administrative Expenditures, Salaries, Headcount, and FTEs: FY 86–FY 08
(in millions of U.S. dollars, unless otherwise noted)

Financial Year	Use of Fund Credit 1/	Net Income 2/	Gross Administrative Expenditures 3/		Headcount 4/	FTEs 5/
			Total	Salaries		
1986	42,575	96	245.8	97.1	1,704	...
1987	47,019	122	247.1	102.4	1,688	...
1988	40,018	66	242.0	104.4	1,680	...
1989	33,859	71	243.2	109.2	1,720	...
1990	32,577	122	269.7	121.1	1,764	...
1991	32,188	100	291.9	136.5	1,786	...
1992	31,857	124	355.1	153.1	1,884	...
1993	33,011	97	411.0	174.6	2,051	...
1994	36,619	108	473.0	191.9	2,179	2,102
1995	42,865	126	493.2	202.9	2,186	2,121
1996	49,184	128	504.0	210.2	2,183	2,146
1997	47,768	127	510.9	215.3	2,176	2,122
1998	59,306	231	531.1	227.8	2,170	2,129
1999	75,691	598	561.1	247.4	2,220	2,142
2000	68,082	349	624.3	265.4	2,301	2,220
2001	54,694	223	675.5	289.5	2,556	2,521
2002	64,124	490	721.3	318.2	2,667	2,575
2003	87,954	963	764.1	337.1	2,698	2,629
2004	99,302	1,277	806.1	355.9	2,718	2,651
2005	80,085	877	892.2	375.2	2,714	2,648
2006	50,084	342	930.3	392.6	2,713	2,641
2007	19,788	-124	965.8	404.1	2,675	2,628
2008 6/	12,125	-146 7/	962.1	411.1	2,610	2,554

Sources: Finance Department and Office of Budget and Planning.

1/ Mid-year average.
2/ Per audited financial statements, with the exception of FY 08; differs from net operational income used elsewhere in the paper.
3/ Outturn.
4/ Head count at the end of the financial year: open-ended and limited-term staff, including staff on leave without pay, sabbatical, etc., but excluding OED and IEO.
5/ Full-time equivalents, excluding OED and IEO.
6/ Projection.
7/ Excludes IAS 19 adjustment and restructuring costs.

Table 31. Administrative Budget and Outturn Expenditures, FY 86–FY 08
(in millions of U.S. dollars, except where indicated otherwise)

Financial Year		Budget	Outturn	Outturn to Budget Variance		Budget to Budget Variance		Outturn to Outturn Variance	
				Amount	Percent	Amount	Percent	Amount	Percent
				A. Net Budget					
1986		248.6	247.3	-1.3	-0.5	19.1	8.3	22.4	10.0
1987		247.6	247.1	-0.5	-0.2	-1.0	-0.4	-0.2	-0.1
1988		246.8	242.0	-4.8	-1.9	-0.8	-0.3	-5.1	-2.1
1989		239.5	234.2	-5.3	-2.2	-7.3	-3.0	-7.8	-3.2
1990		257.1	259.9	2.8	1.1	17.6	7.3	25.7	11.0
1991		279.3	278.8	-0.5	-0.2	22.2	8.6	18.9	7.3
1992		343.8	338.1	-5.7	-1.7	64.5	23.1	59.3	21.3
1993		404.1	389.1	-15.0	-3.7	60.3	17.5	51.0	15.1
1994		476.8	448.3	-28.5	-6.0	72.7	18.0	59.2	15.2
1995		488.3	462.2	-26.1	-5.3	11.5	2.4	13.9	3.1
1996		475.1	470.8	-4.3	-0.9	-13.2	-2.7	8.6	1.9
1997		490.5	471.5	-19.0	-3.9	15.4	3.2	0.7	0.1
1998		503.7	495.3	-8.4	-1.7	13.2	2.7	23.8	5.0
1999		519.6	520.6	1.0	0.2	15.9	3.2	25.3	5.1
2000		585.1	583.0	-2.1	-0.4	65.5	12.6	62.4	12.0
2001		650.9	638.0	-12.9	-2.0	65.8	11.2	55.0	9.4
2002		695.4	676.7	-18.7	-2.7	44.5	6.8	38.7	6.1
2003		746.4	720.0	-26.4	-3.5	51.0	7.3	43.3	6.4
2004		785.5	747.6	-37.9	-4.8	39.1	5.2	27.6	3.8
2005	1/ 2/	849.6	826.1	-23.5	-2.8	64.1	8.2	78.5	10.5
2005	*3/*	*801.6*	*778.1*	*-23.5*	*-2.9*	*16.1*	*2.0*	*30.5*	*4.1*
2006	2/	876.1	874.4	-1.7	-0.2	26.5	3.1	48.3	5.8
2007	2/	911.9	897.2	-14.7	-1.6	35.8	4.1	22.8	2.6
2008	2/ 4/	922.3	885.9	-36.4	-3.9	10.4	1.1	-11.3	-1.3
				B. Gross Budget					
1986		248.6	245.8	-2.8	-1.1	19.1	8.3	19.4	8.6
1987		247.6	247.1	-0.5	-0.2	-1.0	-0.4	1.3	0.5
1988		246.8	242.0	-4.8	-1.9	-0.8	-0.3	-5.1	-2.1
1989		252.5	243.2	-9.3	-3.7	5.7	2.3	1.2	0.5
1990		266.9	269.7	2.8	1.0	14.4	5.7	26.5	10.9
1991		292.4	291.9	-0.5	-0.2	25.5	9.6	22.2	8.2
1992		358.7	355.1	-3.6	-1.0	66.3	22.7	63.2	21.7
1993		425.9	411.0	-14.9	-3.5	67.2	18.7	55.9	15.7
1994		503.0	473.0	-30.0	-6.0	77.1	18.1	62.0	15.1
1995		518.1	493.2	-24.9	-4.8	15.1	3.0	20.2	4.3
1996		509.3	504.0	-5.3	-1.0	-8.8	-1.7	10.8	2.2
1997		526.5	510.9	-15.6	-3.0	17.2	3.4	6.9	1.4
1998		545.2	531.1	-14.1	-2.6	18.7	3.6	20.2	4.0
1999		561.7	561.1	-0.6	-0.1	16.5	3.0	30.0	5.6
2000		626.4	624.3	-2.1	-0.3	64.7	11.5	63.2	11.3
2001		689.9	675.5	-14.4	-2.1	63.5	10.1	51.2	8.2
2002		736.9	721.3	-15.6	-2.1	47.0	6.8	45.8	6.8
2003		794.3	764.1	-30.2	-3.8	57.4	7.8	42.8	5.9
2004		837.5	806.1	-31.4	-3.7	43.2	5.4	42.0	5.5
2005	1/ 2/	905.1	892.2	-12.9	-1.4	67.6	8.1	86.1	10.7
2005	*3/*	*857.1*	*844.2*	*-12.9*	*-1.5*	*19.6*	*2.3*	*38.1*	*4.7*
2006	2/	937.0	930.3	-6.7	-0.7	31.9	3.5	38.1	4.3
2007	2/	980.2	965.8	-14.4	-1.5	43.2	4.6	35.5	3.8
2008	2/ 4/	993.8	962.1	-31.7	-3.2	13.6	1.4	-3.7	-0.4

Source: Office of Budget and Planning.

1/ The figures for FY 05 include a step increase of $48 million in the contribution to the Staff Retirement Plan (SRP), following the Executive Board decision to set contributions at 14 percent of gross remuneration.
2/ Includes contributions to the SRP service credit buy back program of $8.0 million in FY 05, $10.0 million in FY 06, $20.5 million in FY 07, and $2.1 million in FY 08.
3/ Excluding the $48 million additional contribution to the SRP.
4/ Projection.

Table 32. Administrative Expenditures by Input, FY 98-FY 08 1/
(in thousands of U.S. dollars)

Expenditure Category	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 (Proj.)
Personnel Expenses											
Salaries											
Staff, OED, and IEO	185,000	196,151	211,046	234,871	266,673	285,641	303,703	320,600	334,195	343,526	346,300
Other personnel	42,788	51,254	54,344	54,608	51,503	51,459	52,224	54,596	58,428	60,585	64,830
Total	**227,788**	**247,405**	**265,390**	**289,479**	**318,176**	**337,100**	**355,927**	**375,196**	**392,622**	**404,111**	**411,130**
Other Personnel Expenses											
Spouse and child allowances	6,417	6,626	6,814	7,074	7,513	7,667	7,816	7,767	7,684	7,694	7,450
Settlement allowances 2/	14,890	16,621	20,445	25,107	4,834	4,309	4,417	4,166	4,347	4,162	3,549
Overseas allowances	8,310	9,343	10,989	11,525	12,728	12,660	13,358	14,089	14,672	15,498	17,198
Home leave	11,864	12,673	13,196	14,120	16,200	18,073	19,308	22,980	22,666	23,080	28,000
Children's education allowances	8,004	8,177	9,274	10,170	10,548	11,569	12,766	14,424	15,410	16,004	17,160
Spouse points and emergency travel	902	612	714	676	901	826	1,133	1,168	1,040	1,309	1,123
Training and study allowances	4,103	4,488	5,311	5,758	5,774	6,535	6,247	6,177	5,878	8,402	8,462
IMF Institute participant allowances	1,323	1,412	1,497	1,385	1,343	1,644	1,668	1,735	1,752	2,727	2,683
Tax allowances	22,680	24,083	27,264	28,729	30,779	31,680	31,285	34,253	34,694	38,412	37,610
Retirement contributions 3/	18,585	19,887	30,598	25,587	26,802	29,839	30,352	81,465	91,975	102,697	86,972
Long-term benefits (RSBIA) 4/	0	0	0	0	30,000	31,361	35,055	35,300	37,198	38,984	38,984
SBF and other separation incentives 5/	2,530	4,820	4,640	4,805	7,922	6,728	9,580	7,031	4,275	8,648	10,334
Health benefits	30,263	26,306	32,722	32,416	22,486	24,813	25,026	26,723	30,095	33,449	35,071
Life insurance and death benefits	1,183	1,140	1,283	2,635	368	776	709	880	957	1,149	1,190
Social and welfare expenses	572	744	1,009	993	1,188	905	1,158	1,306	1,297	1,191	1,639
Food services	1,213	1,399	1,436	2,033	2,522	1,963	395	0	0	0	0
Total	**132,839**	**138,330**	**167,193**	**173,013**	**181,908**	**191,348**	**200,273**	**259,464**	**273,941**	**303,407**	**297,426**
Total Personnel Expenses	**360,627**	**385,735**	**432,583**	**462,492**	**500,084**	**528,448**	**556,201**	**634,660**	**666,564**	**707,518**	**708,556**

Table 32. Administrative Expenditures by Input, FY 98-FY 08 1/ (continued)

(In thousands of U.S. dollars)

Expenditure Category	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 (Proj.)
Other Expenses											
Business Travel											
Meetings of Governors 6/	4,190	1,863	2,050	3,050	119	1,900	3,285	2,062	2,332	4,112	2,332
Other business travel	42,641	45,265	46,795	53,296	58,954	58,647	67,195	67,746	69,601	72,569	72,075
Total	**46,831**	**47,128**	**48,845**	**56,346**	**59,073**	**60,547**	**70,480**	**69,808**	**71,933**	**76,681**	**74,407**
Other Travel 7/											
Settlement travel	10,851	9,999	15,171	13,776	11,741	8,344	8,608	8,358	9,669	9,289	8,841
Miscellaneous travel	2,894	3,548	4,999	4,791	5,148	10,966	12,423	12,081	12,564	12,634	13,780
Total	**13,745**	**13,547**	**20,170**	**18,566**	**16,889**	**19,310**	**21,031**	**20,439**	**22,233**	**21,923**	**22,621**
Communications											
Telecommunications	6,051	6,054	6,991	6,716	7,593	8,828	8,130	9,557	9,646	8,412	7,850
Postage and freight	4,456	4,909	4,580	5,211	4,880	3,541	4,694	4,867	5,139	5,135	4,494
Total	**10,507**	**10,963**	**11,571**	**11,927**	**12,474**	**12,369**	**12,824**	**14,424**	**14,785**	**13,547**	**12,344**
Building Occupancy											
Maintenance and operations	11,903	13,535	15,362	16,717	17,522	23,153	24,228	26,338	35,109	35,056	32,650
Utilities	3,288	3,589	3,305	3,589	3,467	3,241	3,216	3,510	6,497	7,892	7,942
Alterations	3,770	3,609	3,824	4,426	5,361	4,496	5,016	2,083	2,289	921	770
Leased space	23,917	24,194	25,579	28,482	32,148	34,126	32,597	33,454	13,404	11,203	12,576
Total	**42,878**	**44,927**	**48,071**	**53,214**	**58,498**	**65,016**	**65,058**	**65,385**	**57,298**	**55,071**	**53,938**
Subscriptions and Printing											
Subscriptions	4,798	4,510	5,357	5,564	5,904	6,835	6,917	6,335	6,878	6,927	7,100
Contractual printing	4,871	5,195	6,209	7,196	6,735	5,385	6,726	6,432	7,690	7,698	7,550
Total	**9,669**	**9,704**	**11,566**	**12,760**	**12,638**	**12,220**	**13,643**	**12,767**	**14,568**	**14,624**	**14,650**

Table 32. Administrative Expenditures by Input, FY 98-FY 08 1/ (concluded)
(In thousands of U.S. dollars)

Expenditure Category	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 (Proj.)
Supplies and Equipment											
Purchase of furniture and equipment	2,765	3,775	3,051	4,089	2,594	2,975	2,585	3,459	4,022	2,690	2,025
Rental of equipment	109	147	149	88	86	171	72	67	46	6	35
Maintenance of equipment	2,493	2,671	2,255	2,405	2,781	2,310	2,497	2,443	2,623	2,711	2,685
Expendable supplies	2,797	2,948	3,020	3,418	3,380	3,311	3,041	2,918	3,001	2,671	2,380
Total	**8,164**	**9,542**	**8,474**	**10,001**	**8,840**	**8,767**	**8,195**	**8,887**	**9,693**	**8,077**	**7,125**
Information Technology 8/											
Vendors and services	9,437	12,192	12,142	15,668	15,851	24,737	26,837	28,513	31,643	31,228	31,000
Other information technology	16,327	13,826	12,845	14,800	16,089	10,615	7,421	7,486	9,574	10,008	10,330
Total	**25,764**	**26,018**	**24,986**	**30,467**	**31,940**	**35,352**	**34,258**	**35,999**	**41,217**	**41,236**	**41,330**
Miscellaneous											
Representation	1,317	1,414	1,554	1,518	1,400	1,609	1,662	1,927	2,056	1,781	1,775
Insurance	1,784	942	1,518	1,425	1,577	1,771	1,980	1,873	1,957	1,918	1,700
Contractual services	8,847	10,368	12,733	14,239	13,946	16,861	16,131	21,124	22,538	18,493	18,950
Sundries	982	837	2,199	2,548	3,975	1,805	4,674	4,904	5,486	4,902	4,675
Total	**12,930**	**13,560**	**18,004**	**19,730**	**20,898**	**22,046**	**24,447**	**29,828**	**32,037**	**27,095**	**27,100**
Total Other Expenses	**170,488**	**175,389**	**191,686**	**213,011**	**221,250**	**235,627**	**249,935**	**257,537**	**263,763**	**258,255**	**253,515**
Total Gross Administrative Expenses	**531,115**	**561,125**	**624,269**	**675,505**	**721,334**	**764,075**	**806,136**	**892,197**	**930,327**	**965,773**	**962,072**
Receipts	-35,836	-40,506	-41,279	-37,520	-44,610	-44,100	-58,522	-66,123	-55,967	-68,535	-76,142
Total Net Administrative Expenses	**495,279**	**520,619**	**582,991**	**637,984**	**676,724**	**719,975**	**747,613**	**826,074**	**874,359**	**897,238**	**885,930**

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Reflects current expense categories in the chart of accounts, adjusted retrospectively as appropriate.
2/ In FY 02, amendments to the Retired Staff benefits Account (RSBIA) led to a reduction in the amounts included under settlement allowances and health benefits.
3/ Retirement contributions include the SRP and 401K retirement accounts. Also included are contributions under the SRP service credit buy back program of $8 million in FY 05, $10 million in FY 06, $20.5 million in FY 07 and $2.1 million in FY 08.
4/ The RSBIA was amended beginning in FY 02 to include post-retirement benefits previously budgeted in other administrative budget accounts (EBS/01/38, 3/16/01).
5/ For FY 07, separation incentives included both the Separation Benefit Fund (SBF) and $5 million budgeted for the Staff Restructuring Initiative (SRI).
6/ Includes the cost of the Annual Meetings held outside of Washington.
7/ Beginning in FY 03, IMF Institute participant travel was shifted from settlement to miscellaneous travel.
8/ Categories under information technology were redefined in FY 03 to combine computer facilities and processing with contractual support under a single heading, vendors and services.

Table 33. Percentage Distribution of Gross Administrative Expenditures by Input, FY 98–FY 08

Expenditure Category	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 (Proj.)
Personnel Expenses											
Salaries	42.9	44.1	42.5	42.9	44.1	44.1	44.2	42.1	42.2	41.8	42.7
Other personnel expenses	25.0	24.7	26.8	25.6	25.2	25.0	24.8	29.1	29.4	31.4	30.9
Total	**67.9**	**68.7**	**69.3**	**68.5**	**69.3**	**69.1**	**69.0**	**71.1**	**71.6**	**73.3**	**73.6**
Other Expenses											
Business travel	8.8	8.4	7.8	8.3	8.2	7.9	8.7	7.8	7.7	7.9	7.7
Other travel	2.6	2.4	3.2	2.7	2.3	2.5	2.6	2.3	2.4	2.3	2.4
Communications	2.0	2.0	1.9	1.8	1.7	1.6	1.6	1.6	1.6	1.4	1.3
Building occupancy	8.1	8.0	7.7	7.9	8.1	8.5	8.1	7.3	6.2	5.7	5.6
Subscriptions and printing	1.8	1.7	1.9	1.9	1.8	1.6	1.7	1.4	1.6	1.5	1.5
Supplies and equipment	1.5	1.7	1.4	1.5	1.2	1.2	1.0	1.0	1.0	0.8	0.7
Information technology	4.9	4.6	4.0	4.5	4.4	4.6	4.2	4.0	4.4	4.3	4.3
Miscellaneous	2.4	2.4	2.9	2.9	2.9	2.9	3.0	3.3	3.4	2.8	2.8
Total	**32.1**	**31.3**	**30.7**	**31.5**	**30.7**	**30.8**	**31.0**	**28.9**	**28.4**	**26.7**	**26.4**
Total Gross Administrative Expenses	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

Table 34. Staff Positions (FTS) by Department/Bureau/Office, FY 98–FY 08

Department/Bureau/Office	FY 98	FY 99	FY 00	FY 01 1/	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08
Area Departments											
African	185	186	207	213	216	221	222	234	240	239	239
Asia and Pacific	111	119	122	130	130	128	127	127	129	129	131
Central Asia	0	0	0	0	0	0	0	0	0	0	0
Southeast Asia and Pacific	0	0	0	0	0	0	0	0	0	0	0
European I 2/	133	133	133	141	143	143	141	0	0	0	0
European II 2/	113	111	111	114	111	107	101	0	0	0	0
European 2/	0	0	0	0	0	0	0	179	181	181	181
Middle Eastern 2/	77	77	81	86	86	87	88	0	0	0	0
Middle Eastern and Central Asia 2/	0	0	0	0	0	0	0	144	146	146	146
Western Hemisphere	144	144	148	154	155	159	161	159	160	160	160
Subtotal	**763**	**770**	**802**	**837**	**840**	**844**	**840**	**843**	**856**	**855**	**857**
Functional and Special Services Departments											
Fiscal Affairs	125	127	140	150	152	152	152	156	155	155	156
Finance 3/	139	138	139	154	154	152	147	144	142	142	143
International Capital Markets 4/	0	0	0	0	62	63	62	63	63	59	0
IMF Institute & Regional Institutes	82	85	97	105	106	106	106	106	104	102	102
Legal	44	45	48	51	51	56	59	60	60	69	69
Monetary and Financial Systems 5/	89	97	110	160	166	179	185	187	187	170	0
Monetary and Capital Markets 4/	0	0	0	0	0	0	0	0	0	0	225
Policy Development and Review	154	158	176	186	176	179	182	182	183	183	178
Research	105	105	113	124	92	93	97	97	96	97	97
Statistics	140	140	149	171	175	174	174	174	169	169	169
Subtotal	**876**	**894**	**971**	**1,100**	**1,133**	**1,153**	**1,163**	**1,168**	**1,158**	**1,144**	**1,138**

Table 34. Staff Positions (FTS) by Department/Bureau/Office, FY 98–08 (continued)

Department/Bureau/Office	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08
Information, Liaison, and Support Departments											
Administration 6/	204	202	0	0	0	0	0	0	0	0	0
External Relations	63	65	71	90	89	90	89	89	89	89	91
Human Resources 6/	0	0	85	103	101	101	102	103	102	102	102
Secretary's 6/	96	94	65	66	66	66	66	66	66	66	66
Technology and General Services 6/	0	0	307	424	417	420	429	422	413	413	413
Bureau of Computing Services 6/	58	58	0	0	0	0	0	0	0	0	0
Bureau of Language Services 6/	98	98	0	0	0	0	0	0	0	0	0
Office of Internal Audit and Inspection	17	17	17	19	19	19	19	18	18	19	19
Investment Office - SRP	4	5	5	5	5	5	6	6	6	7	9
Regional Office for Asia and the Pacific	4	5	5	5	5	5	5	6	6	6	6
Offices in Europe 7/	0	0	0	0	0	13	13	13	13	13	13
Office in Europe 7/	12	12	12	12	12	0	0	0	0	0	0
Office in Geneva 7/	5	5	4	4	4	0	0	0	0	0	0
Office of Budget and Planning	17	23	22	26	20	20	19	19	24	24	24
Technical Assistance Secretariat 8/	6	0	0	0	0	0	0	0	0	0	0
Office of Technical Assistance Management 9/	0	0	0	0	7	7	7	7	7	7	7
Fund Office United Nations 10/	0	0	4	4	4	4	4	4	4	4	4
Total	**584**	**584**	**596**	**757**	**747**	**748**	**758**	**752**	**747**	**749**	**753**
Other Offices or Units											
Office of Managing Director	18	19	19	21	21	20	20	20	20	20	20
Director of Special Operations	0	0	0	0	0	5	0	0	0	0	0
Support Group Secretarial Staff	23	19	19	18	18	18	18	16	14	14	14
Administrative Tribunal	0	0	0	0	0	0	0	0	1	1	1
Central allocation control	0	9	8	7	3	3	3	4	7	20	20
Total	**41**	**47**	**46**	**46**	**41**	**45**	**40**	**40**	**42**	**54**	**55**
Total 11/	**2,263**	**2,294**	**2,414**	**2,739**	**2,760**	**2,789**	**2,800**	**2,802**	**2,802**	**2,802**	**2,802**

Source: Office of Budget and Planning.

1/ Under the Categories of Employment Phase 1, a number of contractual and vendor appointments were converted to staff positions; for example, in the Technology and General Services and Monetary and Financial Systems Departments.

2/ European I , European II, and the Middle Eastern Department were reorganized into the European Department and the Middle Eastern and Central Asia Departments in FY 05.

3/ Treasurer's Department was renamed to the Finance Department in FY 04.

4/ The Monetary and Financial Systems Department and the International Capital Markets Department were merged in December 2006 and renamed the Monetary and Capital Markets Department.

5/ The Monetary and Exchange Affairs Department was renamed to the Monetary and Financial Systems Department in FY 04.

6/ The Administration Department, the Bureaus of Computing and Language Services, and part of Secretary's Department were reorganized into the Human Resources and Technology and General Services Departments effective July 1, 1999.

7/ The Paris and Geneva Offices, along with the new Brussels Office, were reorganized as the Offices in Europe (EUO) in FY 03.

8/ Merged with the Office of Budget and Planning in FY 99.

9/ Separated from the Office of Budget and Planning in FY 02.

10/ Separated from Policy Development and Review Department effective August 2, 1999.

11/ These data exclude all contractuals, consultants and experts.

Table 35. Approved FTEs by Department/Office, FY 03–FY 08 1/

	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08
Area Depts.	**810.8**	**813.8**	**817.2**	**828.2**	**819.5**	**815.2**
African	210.6	213.9	226.8	231.9	225.8	227.6
Asia and Pacific	129.3	124.1	123.1	124.8	123.5	125.5
European I 2/	137.1	135.9	...	...	...	...
European II 2/	103.4	98.7	...	...	...	...
European 2/	...	...	173.6	175.3	175.3	169.7
Middle Eastern 2/	...	...	139.6	141.4	140.1	139.4
Middle Eastern and Central Asia 2/	82.5	84.9	...	...	...	...
Western Hemisphere	147.9	156.3	154.1	154.8	154.8	153.0
Functional Non-TA Depts.	**474.5**	**494.3**	**487.1**	**483.6**	**483.2**	**480.7**
External Relations	81.7	83.6	83.7	83.5	85.8	87.8
Finance	142.3	141.6	135.2	133.6	134.0	134.7
Policy Development and Review	169.6	175.6	175.0	175.2	172.9	167.0
Research	80.9	93.5	93.2	91.3	90.5	91.2
Functional TA Depts.	**697.5**	**705.8**	**711.8**	**703.6**	**688.4**	**688.5**
Fiscal Affairs	150.5	144.0	147.3	146.4	149.0	150.2
Institute and Regional Offices	100.9	99.8	99.8	98.8	98.8	98.8
International Capital Markets 3/	60.6	59.8	60.5	59.7	54.0	...
Legal	50.7	55.8	56.8	56.4	65.6	68.4
Monetary and Capital Markets 3/	...	...	...	...	...	216.0
Monetary and Financial Systems 3/	168.2	175.2	176.7	176.6	162.2	...
Office of Technical Assistance Management	7.0	7.0	7.0	6.7	6.7	6.7
Statistics	159.6	164.2	163.7	159.0	152.1	148.4
Support and Governance Depts.	**648.5**	**642.2**	**652.7**	**643.2**	**642.9**	**632.6**
Human Resources	94.9	95.7	96.5	95.9	95.9	93.9
Secretary's	61.5	61.4	61.4	61.4	63.0	62.2
Technology and General Services	386.8	383.5	394.3	385.4	381.0	374.2
Administrative Tribunal	0.5	0.5	0.5	0.5	0.5	0.8
Director of Special Operations	5.0	...	...	...	...	...
Investment Office	5.0	6.0	6.0	5.8	6.8	8.6
Office for Asia and the Pacific	5.0	5.0	6.0	5.7	6.0	6.0
Office of Budget and Planning	19.5	19.0	19.0	23.0	22.9	22.0
Office of Internal Audit	18.5	18.0	18.0	17.3	18.2	18.0
Office of the Managing Director	21.0	20.0	20.0	19.3	19.5	20.0
Office in Geneva 4/	3.4	...	...	...	...	...
Offices in Europe 4/	...	13.2	13.0	12.5	12.6	12.4
Office in Paris 4/	11.4	...	...	...	...	...
Support Group Secretarial Services	12.0	15.9	14.0	12.5	12.5	11.0
United Nations Office	4.0	4.0	4.0	3.9	4.0	3.5
Central allocation	29.2	48.4	39.0	31.8	53.3	44.8
Total	**2,660.5**	**2,704.5**	**2,707.8**	**2,690.4**	**2,687.4**	**2,661.6**
Independent Evaluation Office	11.5	13.0	13.0	12.6	13.0	13.0
Office of Executive Directors	230.0	236.0	240.5	249.1	247.9	248.3
Grand total	**2,902.0**	**2,953.5**	**2,961.3**	**2,952.1**	**2,948.3**	**2,922.9**

Source: Office of Budget and Planning.

1/ Departmental classifications follows the classification adopted for key output areas.

2/ European I , European II, and the Middle Eastern Department were reorganized into the European Department and the Middle Eastern and Central Asia Department in FY 05.

3/ The Monetary and Financial Systems and the International Capital Markets departments were reorganized and became the Monetary and Capital Markets Department in FY 07.

4/ The Paris and Geneva Offices along with the new Brussels Office were reorganized as the Offices in Europe in late FY 03.

Table 36. Staffing: Full-Time Staff (FTS) and Full-Time Equivalents (FTEs), FY 03–FY 08

	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 (Proj.)
Full-time staff (FTS)	2,788.0	2,799.5	2,802.0	2,802.0	2,802.0	2,802.0
Total Fund employment 1/ 2/	3,041.5	3,041.4	3,068.5	3,101.0	3,075.5	3,004.0
1. Regular and fixed term staff						
Full-time equivalent staff (FTEs)	2,629.2	2,650.7	2,647.6	2,640.5	2,627.3	2,554.0
2. Expert and contractual staff 3/ 4/						
FTEs	412.3	390.7	420.9	460.5	448.2	450.0
Memorandum items 5/						
Independent Evaluation Office						
FTS	12.0	13.0	13.0	13.0	13.0	13.0
FTEs	11.8	12.8	11.7	12.6	12.8	11.5
Office of Executive Directors (OED)						
FTS	247.0	249.0	249.0	258.5	258.5	260.5
FTEs	234.3	244.7	248.8	248.0	248.7	248.8

Source: Office of Budget and Planning.

1/ Includes regular staff, the Economist Program, technical assistance experts, contractual staff, visiting scholars, secretarial support staff, etc.
2/ Staff years are measured in FTEs (data excludes OED and IEO).
3/ Beginning in FY 03, contractual employment is controlled by departmental dollar budgets.
4/ Includes experts, contractual staff, visiting scholars, secretarial support staff, and paid overtime, etc.
5/ Excludes expert and contractual staff.

Table 37. IMF Institute Training Programs, FY 03–FY 08

	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 (Proj.)
Headquarters training						
Course weeks	85	77	80	79	87	78
Participant weeks 1/	3,098	2,823	2,991	2,946	3,182	2,867
Regional training institutes and programs 2/						
Course weeks	119	138	147	152	152	172
Participant weeks	3,888	4,387	4,564	4,866	4,586	5,285
Course weeks	31	32	27	38	33	35
Participant weeks	891	931	818	1,125	983	1,058
Distance learning 3/						
Course weeks	14	9	16	16	16	18
Participant weeks	495	324	579	569	624	644
Total course weeks	**249**	**256**	**270**	**285**	**288**	**303**
Total participant weeks	**8,372**	**8,465**	**8,952**	**9,506**	**9,375**	**9,853**

Source: IMF Institute.

1/ Includes participation by member-country officials in economics training courses for IMF staff.
2/ Includes the Joint Vienna Institute (JVI), the IMF-Singapore Regional Training Institute (STI), the IMF-Arab Monetary Fund Regional Training Program, the Joint Africa Institute (JAI), the Joint China-IMF Training Program, the Joint India-IMF Training Program, and the Joint Regional Training Center for Latin America.
3/ Participation in the residential component of distance learning courses is counted under distance learning.

Table 38. Technical Assistance Resource Distribution, FY 03–FY 08
(in effective person-years)1/

	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 Proj.
A. Resources available						
1. **Fund financed**	**262.2**	**262.1**	**307.5**	**337.6**	**325.1**	**326.4**
Staff	174.1	186.1	219.7	256.7	258.2	260.4
HQ consultants	20.1	20.6	27.4	23.3	21.8	24.2
Experts	68.0	55.4	60.4	57.5	45.1	41.8
2. **Externally financed**	**93.4**	**105.3**	**97.1**	**87.3**	**113.3**	**128.2**
UNDP	9.6	8.1	5.8	5.0	10.2	14.7
Japan	61.9	61.6	52.4	45.7	51.4	51.3
Other	22.0	35.6	38.9	36.7	51.7	62.3
Total resources	**355.7**	**367.4**	**404.6**	**424.9**	**438.4**	**454.6**
B. Resource use						
Regional	**286.5**	**291.1**	**301.3**	**288.4**	**308.3**	**322.7**
AFR	72.1	83.8	86.9	82.4	90.4	104.3
APD	67.5	69.0	68.2	58.5	62.7	66.6
EUR2/	52.8	35.5	34.5	37.1	34.6	37.5
MCD2/	26.5	40.1	45.1	61.0	54.2	50.1
WHD	32.6	26.6	32.7	37.5	48.2	50.1
Multiple Regions	35.1	36.0	33.9	11.9	18.2	13.5
Reserve	0.0	0.0	0.0	0.0	0.0	0.5
Policy & admin.support	**69.2**	**76.4**	**103.3**	**136.5**	**130.1**	**132.0**
TA policy/mgmt/eval.	16.4	23.7	39.4	64.8	51.4	51.5
TA administ. support	52.8	52.7	63.9	71.7	78.7	80.4
Total use	**355.7**	**367.4**	**404.6**	**424.9**	**438.4**	**454.6**

Source: Data provided by TA Departments and compiled by Office of Technical Assistance Management.

Note: Figures may not add to totals due to rounding.

Note: (1) Prior to FY 05, other departments included ICM, OTM, and regional TA center coordinators. Starting in FY 05, the other departments category was expanded to include TA activity reported by EUR, FIN, HRD, OAP, OBP, OIA, OMD, PDR, RES, and TGS; this had the effect of increasing TA by 30 person years. (2) In FY2006 there was a change in methodology by INS to better reflect its support activities; this had the effect of increasing TA by about 20 person years in INS. (30 There is a break between FY 06 and FY 07 reflecting the inclusion of RTACs; RTACs were not fully included in FY 07, but are so in FY 08.

1/ An effective person-year of technical assistance is 260 days.

2/ FY 04 and prior data for EUR and MCD were consolidated data for EU1, EU2 and MED.

Table 39. Output Shares, FY 98–FY 08
(in percent)

Five Primary Outputs 1/	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	Four Key Output Areas 2/	FY 06	FY 07	FY 08 Proj.
Policy development, research, and operation of the international monetary system 3/										Global monitoring	13.8	14.0	17.2
Area departments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Functional departments	11.4	11.8	12.0	12.1	12.2	12.5	11.8	13.3	13.7				
Area and functional departments	6.7	7.0	7.2	7.3	7.4	7.7	7.3	8.2	8.2				
Standard setting/provision of standardized information 3/													
Area departments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Functional departments	10.6	10.6	10.9	10.8	9.9	9.6	9.5	8.7	6.9				
Area and functional departments	6.2	6.4	6.6	6.5	6.1	6.0	5.9	5.4	4.1				
Bilateral/regional surveillance										Country specific and regional monitoring	34.2	37.5	40.0
Area departments	50.7	51.6	49.3	46.8	46.5	50.6	53.0	54.5	56.0				
Functional departments	11.3	10.7	12.0	14.8	18.2	18.7	18.1	17.6	20.4				
Area and functional departments	27.5	27.1	26.8	27.5	29.2	30.9	31.4	31.6	34.7				
Use of Fund resources										Country programs and financial support	26.5	24.3	20.1
Area departments	47.7	47.1	49.5	51.8	52.1	47.8	45.6	43.7	41.6				
Functional departments	20.4	20.7	22.2	21.8	21.6	21.0	21.8	20.0	18.6				
Area and functional departments	31.6	31.3	33.1	33.7	33.5	31.2	30.9	29.0	27.9				
Capacity building										Capacity building	25.5	24.3	22.7
Area departments	1.6	1.3	1.2	1.4	1.3	1.6	1.5	1.8	2.4				
Functional departments	46.3	46.2	42.9	40.4	38.0	38.1	38.9	40.5	40.3				
Area and functional departments	28.0	28.2	26.3	25.0	23.8	24.2	24.6	25.8	25.0				

Source: The Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ For FY 98 to FY 06 under the previous five output structure; outputs consist of employee costs for area and functional departments.

2/ In the previous set of activities, area departments did not report to outputs (i) policy development, research, and the operation of the international monetary system and (ii) standard setting/provision of standardized information.

3/ Modifications to systems to implement recommendations in accordance with the Second Task Force on Performance Indicators were implemented in FY 07. Data for FY 06 are provided on an indicative basis; for FY 06, general research was reported as part of the research under each of the specific Key Output Areas.

Table 40. Travel Expenditures FY 04–FY 08 1/
(in millions of U.S.dollars)

	FY 04 1/	FY 05	FY 06	FY 07 1/	FY 08 2/
Business travel	73.5	75.4	76.3	79.4	48.8
Departmental business travel	62.8	65.6	68.3	68.8	43.7
Transportation	38.1	40.2	41.6	42.6	28.8
Per diem	24.8	25.6	26.7	26.1	14.9
Other business travel	10.7	9.7	8.0	10.6	5.1
Fund-financed departmental business travel	59.6	61.6	63.3	62.5	39.2
Area departments	23.7	22.9	22.9	23.0	14.6
TA functional departments	24.0	25.4	26.7	24.2	15.8
Other functional departments	2.5	2.4	2.6	2.7	1.7
Support departments	3.4	4.0	3.9	3.9	2.5
Governance	6.1	6.8	7.2	8.6	4.6
OMD	0.8	1.0	1.2	1.3	0.9
OED and IEO	5.2	5.7	5.5	6.4	3.6
Externally-financed departmental business travel	3.2	4.1	5.0	6.3	4.6
Other travel	12.5	12.0	10.8	13.8	11.5

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Excludes Annual Meetings travel.
2/ Based on 9-month data.

Table 41. Travel Metrics FY 04–FY 08 1/

	FY 04	FY 05	FY 06	FY 07	FY 08 /2
Volume					
Number of Missions	4,871	5,101	5,745	5,901	4,333
Area	933	851	984	1,010	700
TA Functional	1,863	2,076	2,456	2,637	2,113
Other functional	356	384	430	455	365
Support	669	786	768	717	467
Governance	1,050	1,004	1,107	1,082	688
Mission Nights	59,354	60,224	71,047	70,016	47,623
Area	22,301	20,996	22,568	22,141	14,051
TA Functional	26,447	29,713	37,503	36,412	26,276
Other functional	2,339	1,702	1,955	2,318	1,473
Support	2,789	3,180	3,474	3,594	2,292
Governance	5,478	4,633	5,547	5,551	3,531
Persons	8,154	8,357	9,178	8,864	6,425
Area	2,592	2,433	2,533	2,513	1,699
TA Functional	3,002	3,264	3,841	3,738	2,953
Functional	499	496	571	579	436
Support	939	1,074	1,030	884	597
Governance	1,122	1,090	1,203	1,150	740
Average Mission Size (persons)	1.7	1.6	1.6	1.5	1.5
Area	2.8	2.9	2.6	2.5	2.4
TA Functional	1.6	1.6	1.6	1.4	1.4
Other functional	1.4	1.3	1.3	1.3	1.2
Support	1.4	1.4	1.3	1.2	1.3
Governance	1.1	1.1	1.1	1.1	1.1
Average Mission Length (days)	12.2	11.8	12.4	11.9	11.0
Area	23.9	24.7	22.9	21.9	20.1
TA Functional	14.2	14.3	15.3	13.8	12.4
Other functional	6.6	4.4	4.5	5.1	4.0
Support	4.2	4.0	4.5	5.0	4.9
Governance	5.2	4.6	5.0	5.1	5.1

Source: Office of Budget and Planning.

1/ Includes both Fund-financed and externally-financed travel. Includes travel by experts. Excludes Annual Meetings travel.
2/ Based on 9-month data.

Table 42. Selected Indicators of Work Pressure, FY 03–FY 08

(in percent of staff years)

	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 1/
Overtime						
By Grade	**9.1**	**9.6**	**9.6**	**9.6**	**9.0**	**9.0**
B-level	18.4	17.5	17.0	17.2	16.3	16.2
Professional level	10.6	10.6	10.5	10.2	9.8	9.6
Support level	3.8	3.7	3.9	4.0	3.4	3.4
By Department	**9.1**	**9.6**	**9.6**	**9.6**	**9.0**	**9.0**
Area Departments	12.0	12.5	12.5	12.0	11.1	10.5
Functional Departments	9.1	9.5	9.6	9.7	9.3	9.3
Support and Information Liaison Departments	5.5	5.8	5.8	6.0	5.5	5.7
Other 2/	11.1	11.5	10.9	11.3	12.5	12.2
Annual Leave 3/						
By Grade	**8.8**	**9.0**	**9.4**	**9.4**	**9.0**	**9.5**
B-level	10.0	9.5	10.5	10.2	7.9	8.5
Professional level	8.8	8.6	8.9	9.0	8.8	9.6
Support level	9.6	9.6	9.9	10.0	10.2	10.0
By Department	**8.8**	**9.0**	**9.4**	**9.4**	**9.0**	**9.5**
Area Departments	8.7	8.4	9.4	9.3	9.0	9.2
Functional Departments	8.7	9.1	9.1	9.2	8.9	9.5
Support and Information Liaison Departments	9.3	9.6	9.9	9.7	9.5	10.2
Other 2/	8.6	9.3	9.8	10.8	7.2	8.8
Sick Leave 4/						
By Grade	**8.6**	**9.2**	**8.9**	**9.4**	**9.3**	**9.5**
B-level	7.3	7.7	7.0	10.2	10.4	10.7
Professional level	8.6	9.2	8.7	9.0	8.9	9.0
Support level	9.8	10.2	10.3	10.0	9.8	10.3
By Department	**8.6**	**9.2**	**8.9**	**9.4**	**9.3**	**9.5**
Area Departments	8.4	9.0	8.6	9.3	9.5	9.3
Functional Departments	8.4	9.0	8.6	9.2	8.9	9.4
Support and Information Liaison Departments	9.4	9.9	10.1	9.7	9.7	10.2
Other 2/	7.8	9.3	7.5	10.8	9.8	9.0
Memorandum item:						
Number of staff traveling 50+ days						
As a share of all departments	6.0	7.3	5.6	5.1	...	...
As a share of area and functional departments	8.5	9.6	7.0	6.5	...	...

Sources: Office of Budget and Planning.

1/ Annualized estimates based on nine months of FY 08 data.

2/ Includes EUO, INV, OAP, OBP, OIA, OMD, OTM, and UNO.

3/ Includes home leave.

4/ Includes sick leave, official holidays, home leave travel days, and other paid leave.

Table 43. Expenditures by Overseas Program, FY 97–FY 08
(in millions of U.S. dollars)

	FY 97	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08
Resident Representatives	28.9	50.3	48.3	49.1	54.5	55.2	56.3
Regional Training Institutes	2.3	2.0	2.2	2.6	2.7	2.2	3.3
Regional TA Centers	0.0	1.9	9.7	14.1	15.8	19.9	26.3 3/
Overseas Offices	5.1	8.7	9.4	9.6	10.3	11.8	12.3
Offices in Europe	4.8	3.7	3.6	3.6	4.4	4.9	5.0
Office for Asia 1/	0.3	3.1	3.9	3.7	3.7	4.6	5.1
UN office 2/	...	0.9	1.0	1.2	1.3	1.3	1.2
London 4/	...	0.9	0.9	1.0	1.0	1.1	1.1
Total Gross Admin. Field Expenditures	36.3	62.9	69.6	75.4	83.3	89.1	98.3
Receipts	0.3	0.7	8.7	12.4	13.8	18.1	24.0 3/
Total Net Admin. Field Expenditures	36.0	62.2	60.9	63.0	69.5	71.0	74.3
Headquarters overhead	1.8	3.2	3.5	3.8	4.2	4.5	5.0
Total Net Program Expenditures	37.8	65.4	64.4	66.9	73.8	75.5	79.3
Share of Fund Net Admin. Expend. (in percent)	8.0	9.1	8.6	8.1	8.4	8.3	8.6

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Excludes JSA scholarship program budgets.
2/ UNO separated from Policy Development and Review Department effective August 2, 1999
3/ For FY 08 estimate of donor financed budget.
4/ Estimates based on standard costs for staff.

Table 44. Total Field Offices and Staff, FY 08

	Offices	Fund Staff	Net Expenditures FY08 (in millions of dollars)	Net Expenditures FY08 (percent of total budget)
Resident Representatives	91	81	56.0	6.1
Regional Training Institutes 1/	3	5	3.3	0.4
Regional TA Centers 2/	6	6	4.3	0.5
Overseas Offices 3/	6	25	10.7	1.2
Offices in Europe	3	12	5.0	0.5
Office for Asia	1	6	3.4	0.4
UN office	1	4	1.2	0.1
London office	1	3	1.1	0.1
Total 4/	106	117	79.3	8.1

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Joint Africa Institute, Joint Vienna Institute, and Singapore Training Institute.

2/ AFRITACs (Central, East, West), CARTAC, PFTAC, and METAC.

3/ Office in Europe (Paris, Brussels, Geneva); Office in Asia (Tokyo), UN (New York), and London.

4/ Includes overhead.

Table 45. Expenditures by Category for the Resident Representative Program, FY 97–FY08
(in millions of U.S. dollars)

	FY 97	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08
Res Rep salaries and regular benefits	10.8	18.4	17.8	18.6	20.5	20.8	20.4
Field benefits and allowances	5.7	9.2	8.5	8.9	9.9	10.1	10.4 1/
Residence	...	...	...	...	...	4.9	5.2 2/
Office	...	8.8	7.4	6.6	6.8	2.4	1.9
Local Salaries	1.9	5.5	5.7	5.7	6.2	6.9	7.6
Other	10.5	8.4	9.0	9.3	11.1	10.1	10.7 3/
HQ Overhead							5.0
Total gross field-based expenditures	28.9	50.3	48.3	49.1	54.5	55.2	56.3
per post	0.4	0.6	0.5	0.6	0.6	0.6	0.6
per resident representative	0.4	0.5	0.6	0.6	0.7	0.7	0.7
Receipts	0.0	0.0	0.0	0.5	0.3	0.5	0.3
Total net field-based expenditures	28.9	50.3	48.3	48.6	54.2	54.6	56.0
Share of Fund Net Admin. Expend. (in percent)	6.1	7.0	6.5	5.9	6.2	6.0	6.1

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Based on estimates from the central accounts.
2/ Payments were made in the TGS held central accounts in FY97; residence and office leases were combined until FY 07.
3/ FY 08 budget includes start-up cost (i.e. alterations, vehicles, etc), and other central accounts that were not devolved.

Table 46. Expenditures by Category for Overseas Offices, FY 97–FY 08
(in millions of U.S. dollars)

	FY 97	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 1/
RR salaries and regular benefits	...	4.3	3.9	4.3	4.9	5.6	5.6
Field benefits and allowances	...	1.7	1.9	2.1	2.2	2.5	2.6
Residence	...	...	...	...	...	...	...
Office	...	1.0	1.3	1.3	1.2	1.3	1.4
Local Salaries	...	0.2	0.5	0.6	0.4	0.5	0.7
Other	...	1.4	1.8	1.3	1.6	1.8	2.1
Total gross field-based expenditures	**5.1**	**8.7**	**9.4**	**9.6**	**10.3**	**11.8**	**12.3**
per office	0.8	1.4	1.6	1.6	1.7	2.0	2.1
Receipts 2/	0.3	0.7	1.0	1.0	1.0	1.6	1.7
Total net field-based expenditures	**4.8**	**8.0**	**8.4**	**8.6**	**9.3**	**10.2**	**10.7**
Share of Fund Net Admin. Expend. (in percent)	1.0	1.1	1.1	1.0	1.1	1.1	1.2

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Based on FY 08 approved budgets and estimated benefits from central accounts
2/ Excludes JSA scholarship program budgets

Table 47. Expenditures by Office for Overseas Offices, FY 97–FY 08

(in millions of U.S. dollars)

	FY 97	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 1/
Offices of Europe	4.8	3.7	3.6	3.6	4.4	4.9	5.0
Regional Office Asia and Pacific	0.3	3.1	3.9	3.7	3.7	4.6	5.1
United Nations	...	0.9	1.0	1.2	1.3	1.3	1.2
London 1/	...	0.9	0.9	1.0	1.0	1.1	1.1
Total gross field-based expenditures	**5.1**	**8.7**	**9.4**	**9.6**	**10.3**	**11.8**	**12.3**
per office	0.2	1.4	1.6	1.6	1.7	2.0	2.1
Receipts	0.3	0.7	1.0	1.0	1.0	1.6	1.7
Total net field-based expenditures	**4.8**	**8.0**	**8.4**	**8.6**	**9.3**	**10.2**	**10.7**
Share of Fund Net Admin. Expend. (in percent)	1.0	1.1	1.1	1.0	1.1	1.1	1.2

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Estimate based on salary standard costs for each staff member (office costs are borne by the Bank of England) and projections for earlier years made by deflating the FY 08 figure with the budget deflator.

Table 48. Expenditures by Category for Regional TA Centers, FY 97–FY 08
(in millions of U.S. dollars)

	FY 97	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 1/
RR salaries and regular benefits	...	0.4	0.7	1.5	1.5	1.7	1.9
Field benefits and allowances	...	0.2	0.3	0.6	0.6	0.8	1.2
Residence	...	0.3	0.2	0.2	0.3	0.3	0.4
Office	...	...	...	...	...	0.1	0.2
Local Salaries	...	0.1	0.2	0.2	0.3	0.3	0.5
Other	...	0.8	0.6	0.7	0.6	0.9	0.2
Externally financed experts	...	0.0	7.7	10.9	12.5	15.8	22.0
Total gross field-based expenditures	**0.0**	**1.9**	**9.7**	**14.1**	**15.8**	**19.9**	**26.3** 1/
per center	...	0.6	2.4	2.8	3.2	4.0	4.4
per Resident Representative	...	0.6	2.4	2.8	3.2	4.0	4.4
Receipts	...	...	7.7	10.9	12.5	16.0	22.0
Total net field-based expenditures	**0.0**	**1.9**	**2.0**	**3.2**	**3.3**	**3.9**	**4.3**
Share of Fund Net Admin. Expend. (in percent)	...	0.3	0.3	0.4	0.4	0.4	0.5

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Estimates. Fund net expenditure marked up by same proportion as in FY 07.

Table 49. Expenditures by Category for Regional Training Institutes, FY 97–FY 08

(in millions of U.S. dollars)

	FY 97	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 1/
RR salaries and regular benefits	...	1.1	1.0	1.1	1.3	1.2	1.5
Field benefits and allowances	...	0.4	0.3	0.4	0.4	0.3	0.5
Residence	...	...	...	...	...	...	...
Office	...	...	...	...	...	...	...
Local Salaries	...	0.5	0.2	0.5	0.4	0.5	0.6
Other	...	0.0	0.7	0.6	0.5	0.2	0.7
Total gross field-based expenditures	**2.3**	**2.0**	**2.2**	**2.6**	**2.7**	**2.2**	**3.3**
per institute	0.8	0.7	0.7	0.9	0.9	0.7	1.1
Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total net field-based expenditures	**2.3**	**2.0**	**2.2**	**2.6**	**2.7**	**2.2**	**3.3**
Share of Fund Net Admin. Expend. (in percent)	0.5	0.3	0.3	0.3	0.3	0.2	0.4

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Estimates. Fund net expenditure marked up by same proportion as in FY 07.

Table 50. Expenditures by Category for the Combined Overseas Program, FY 97–FY 08
(in millions of U.S. dollars)

	FY 97	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08 1/
RR salaries and regular benefits	10.8	24.3	23.4	25.5	28.2	29.3	29.4
Field benefits and allowances	5.7	11.5	11.0	12.0	13.1	13.7	14.7
Residence	...	0.3	0.2	0.2	0.3	5.2	5.6
Office	...	9.8	8.7	7.9	8.0	3.9	3.5
Local Salaries	1.9	6.3	6.6	7.0	7.3	8.2	9.4
Other	10.5	10.6	12.0	11.9	13.8	13.0	13.7
Experts	0.0	0.0	7.7	10.9	12.5	15.8	22.0
Total gross field-based expenditures	**28.9**	**62.9**	**69.6**	**75.4**	**83.3**	**89.1**	**98.3**
per post	0.4	0.6	0.7	0.7	0.8	0.8	0.9
per Resident Representative	0.3	0.5	0.6	0.6	0.7	0.7	1.0
Receipts	0.3	0.7	8.7	12.4	13.8	18.1	24.0
Total net field-based expenditures	**28.6**	**62.2**	**60.9**	**63.0**	**69.5**	**71.0**	**74.3**
Headquarters overhead	1.8	3.2	3.5	3.8	4.2	4.5	5.0
Total Net Program Expenditures	**30.5**	**65.4**	**64.4**	**66.9**	**73.8**	**75.5**	**79.3**
Share of Fund Net Admin. Expend. (in percent)	6.1	8.6	8.1	7.6	7.9	7.8	8.1

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

1/ Estimates. Fund net expenditure marked up by same proportion as in FY 07.

Table 51. Estimated PRGF Expenses, FY 06–FY 08
(in millions of U.S. dollars)

	FY 06	FY 07	FY 08 Estimate
Personnel expenses	52	50	48
Of which:			
Executive Board	9	9	7
Staff	43	41	40
Business Travel	6	6	6
Overhead	13	12	10
Capital project expenses	4	4	4
Total cost in U.S. dollars	74	72	67
Memorandum item:			
Total cost in SDRs	51	48	43

Source: Office of Budget and Planning.

Note: Figures may not add to totals due to rounding.

Table 52. Estimated Generally Available Facilities (GAF) Expenses, FY 06–FY 08 1/
(in millions of U.S. dollars)

	FY 06	FY 07 2/	FY 08 Estimate
Personnel	72	54	46
Business travel	8	7	6
Other admin. expenditures	7	5	7
Support and Governance	57	48	33
Support	…	40	29
Governance	…	8	4
Capital project expenses	8	7	6
Total	151	120	98

Source: Office of Budget and Planning.

1/This table presents estimates of the expenses associated with the GAF. This is a different concept from the allocation of administrative expenditures to the Fund's four key output areas and 12 constituent outputs, including the GAF, presented elsewhere in the budget paper, as it includes relevant portions of the capital budget that are expensed or depreciated.

2/ In FY2007, outputs were changed from five primary outputs to four Key Output Areas.