

**FOR
AGENDA**

EBAP/08/20
Supplement 1

CONFIDENTIAL

April 6, 2008

To: Members of the Executive Board

From: The Secretary

Subject: **The FY2009–FY2011 Medium-Term Administrative, Restructuring, and Capital Budgets—Supplementary Material and Revised Proposed Decisions**

Attached for the consideration by the Executive Directors is supplementary information and revised proposed decisions relating to the paper on the proposed FY2009–FY2011 medium-term administrative, restructuring, and capital budgets (EBAP/08/20, 3/20/08), which is scheduled for discussion tomorrow, **Monday, April 7, 2008**.

Questions may be referred to Mr. Green, OBP (ext. 34797) and Mr. Steinki, LEG (ext. 38222).

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

**Supplementary Material to
The FY 09–11 Medium-Term Administrative, Restructuring, and
Capital Budgets**

Prepared by the Office of Budget and Planning
(In consultation with the Legal Department)

Approved by Siddharth Tiwari

April 6, 2008

The proposed decisions for the FY 09 administrative budget and the restructuring budget have been revised, respectively, to provide: (i) for separate appropriations and expenditure ceilings within the total administrative appropriation for the Offices of the Executive Directors (OED), the Independent Evaluation Office (IEO), and all remaining administrative expenditures; and (ii) an allocation of up to \$7.6 million within the appropriation for the restructuring budget over the period FY 08–11 for expenditures related to the envisaged downsizing of the OED.

The main points are as follows:

- The total appropriation for net administrative expenditures (\$868.3 million) and the limit on gross administrative expenditures (\$966.9 million) are unchanged from those in “The FY 09-11 Medium Term Administrative, Restructuring, and Capital Budgets” (EBAP/08/20, 3/20/08). Separate appropriations and spending limits for OED and IEO are now specified in the decisions.
- For OED, the dollar limits have been confirmed by the Chair of the Committee on Executive Board Administrative Matters (CAM) and they reflect the agreement reached in principle on a downsizing for OED. The restructuring expenses of up to US\$ 7.6 million for OED reflect the cost of carrying FTE equivalent entitlement positions until they are eliminated over FY 08-11. This ceiling does not apply to expenditures covered by the separation framework for OED personnel with staff employment rights.
- For IEO, the dollar limits reflect the Executive Board decision of April 2, 2008.

- A contingency equivalent to 1 percent of budgeted net administrative spending has been added to the gross and net expenditures for OED and IEO. Appropriations are not fungible across OED, IEO, or other spending limits.
- The CAM and the Executive Board's Evaluation Committee will have operational responsibility for managing the OED and IEO budgets, respectively, within the top-down budgetary envelope proposed in this paper.

Proposed FY 09 Staff, OED, and IEO Appropriations
(In millions of U.S. dollars)

	Staff	OED	IEO	Total 1/
Gross limit on expenditures	903.8	58.3	4.8	966.9
Receipts	-98.1	-0.5	0.0	-98.6
Net administrative budget	805.6	57.9	4.8	868.3

Source: Office of Budget and Planning

1/ Figures are identical to those presented in "The FY2009–FY2011 Medium-Term Administrative, Restructuring, and Capital Budgets" (EBAP/08/20, 3/20/08).

REVISED DECISIONS

Accordingly, the following decisions, which may be adopted by a majority of the votes cast, are proposed for adoption by the Executive Board:¹

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, of which: (a) up to \$57.9 million may be used for the administrative expenditures of the Offices of Executive Directors, (b) up to \$4.8 million may be used for the administrative expenditures of the Independent

¹ Figures rounded up to the nearest \$100,000 over the numbers contained in "The FY 09–11 Medium-Term Administrative, Restructuring, and Capital Budgets" (EBAP/08/20, 3/20/08).

Evaluation Office, and (c) up to \$805.6 million may be used for the other administrative expenditures of the Fund.

2. A limit on gross administrative expenditures is approved in the total amount of \$966.9 million, with sub limits of (a) US\$ 58.3 million for the administrative expenditures of the Offices of Executive Directors, (b) US\$4.8 million for the administrative expenditures of the Independent Evaluation Office, and (c) US\$903.8 million for the other administrative expenditures of the Fund.

Decision No. 2²

Capital Budget for Projects Beginning in Financial Year 2009

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.

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

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 the restructuring expenditures of the Fund during FY 08–11, of which up to \$7.6 million are allocated for restructuring expenditures for Offices of Executive Directors during that period.
2. The authority to charge expenses against the above appropriations is effective April 8, 2008.

² Decision 2 on Capital Budget is unchanged from the decision contained in “The FY 09–11 Medium-Term Administrative, Restructuring, and Capital Budgets” (EBAP/08/20, 3/20/08).