INFORMAL SESSION TO ENGAGE

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February 14, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Preliminary Proposals for the FY 2021–FY 2023 Medium-Term Budget**

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INTERNATIONAL MONETARY FUND

CONFIDENTIAL

PRELIMINARY PROPOSALS FOR THE FY 2021-FY 2023 MEDIUM-TERM BUDGET

February 14, 2020

Approved By **Michele Shannon**

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OVERVIEW

1. **The FY 21 budget is set in a fast-moving global context.** The global economy is characterized by increased uncertainty, with the membership facing challenges on various fronts, including rapid technological change, rising inequality and social tensions, and the increasingly urgent call to address climate change. A re-examination of fundamental macroeconomic relationships continues a decade after the global financial crisis in the context of a sustained low interest rate environment and rising debt, with the need for attention to deep structural trends that present risks for the longer term.

2. **The FY 21 budget reflects evolving priorities defined by the membership.** The FY 21 budget takes as its starting point the membership's priorities as laid out in the Managing Director's Fall 2019 Global Policy Agenda, the Fall 2019 IMFC Communiqué, and the Executive Board's December 2019 Work Program to:

- Turn evidence-based analysis into actionable policy recommendations to make economies more resilient and inclusive,
- Contribute to improving the multilateral system and upgrading international cooperation to bring the benefits of integration to all,
- Modernize the Fund's policy toolkits to meet the challenges of a fast-changing world, and
- Safeguard the Fund's financial strength and undertake an ambitious internal modernization agenda.

3. **The Fund has maintained a flat real budget for the past eight years**—excluding a $6 million security related increase in FY 17—supported by robust efforts to identify savings to fund new spending priorities.[1] At the same time, enhanced budgetary procedures have increased execution to near 100 percent of approved budgets since FY 18. Ambitious internal modernization efforts are expected to yield further efficiency gains and savings over the medium term, creating room to take on new challenges. In the short term, more resources are needed to support related transition costs.

4. **The FY 21 budget proposal maintains this discipline.** The proposed net FY 21 administrative budget of $1,158 million in constant FY 20 dollars (Table 1) represents a continued flat real resource envelope. In nominal terms, the proposed net administrative budget is $1,186 million.[2] With the FY 20 budget outturn projected at the approved structural level (Appendix II), the maximum carryforward for general administration (staff departments and central accounts) of $32.3 million—and an additional $15.1 million for the Office of Executive Directors and $0.3 million for the Internal Evaluation Office—

[1] Key budget concepts and deflator methodology are described in Appendix I.

[2] As part of the reforms adopted in the Comprehensive Compensation and Benefits Review, the Fund's Global External Deflator (GED) has been modified to equal projected U.S. CPI inflation as forecast in the most recent World Economic Outlook.

accumulated through underspending in previous years is projected to be available to meet transitional needs in FY 21.

5. **In addition, some capacity development (CD) needs are met by external financing sources.** Donor support is proposed to finance $205 million in capacity development (CD) activities—in addition to $143 million in Fund financing for CD—aligned with the Fund's strategic priorities. Together with other receipts, this would bring the gross administrative budget to $1,429 million in nominal terms.

6. **The capital budget is expected to be in line with that projected in the FY 20-22 budget.** FY 21 proposals for capital spending will be proposed alongside the forthcoming update to the Fund's Capital Investment Framework. For FY 21, the preliminary proposed capital budget is $96 million in current U.S. dollars.

- Facilities: The proposed budget of $40 million supports end-of-life-cycle replacements, including for furniture, audio-visual equipment, and HQ1 building equipment.
- IT: The proposed budget of $56 million supports 1HR and the Capacity Development Management and Administration Program (CDMAP) implementation, replacement of the Fund's document management system, the start of iDATA's implementation, and preliminary work on the integrated digital workplace (IDW), as well as enhanced Information security and a portfolio of smaller projects focusing on critical replacement and targeted upgrades.

7. **The budget is fully funded by operating income.** The Fund's operational income is projected at $2,654 million, well above budgeted spending in FY 21.

Table 1. Administrative and Capital Budget Envelopes, FY 21–23

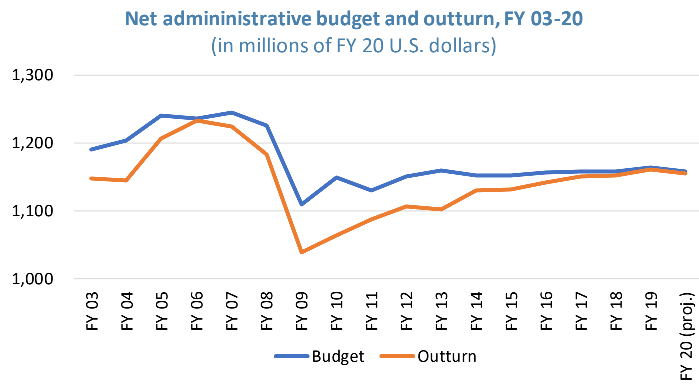
(Millions of U.S. dollars, unless otherwise noted)

	FY 20		Budget changes			Proposed	Indicative	
	Budget	Est. Outturn	Demands	Savings	Donor financed	FY 21 Budget	FY 22 Budget 1/	FY 23 Budget
Constant FY 20 USD								
Gross administrative budget	1,397	1,382	40	42	6	1,400	1,411	1,409
Receipts	-239	-224	3	0	-6	-242	-246	-251
Net Administrative Budget	1,158	1,158	42	42	-	1,158	1,164	1,158
of which Annual Meetings							*6*	
Capital Budget (IT and Facilities)	86	80				94	84	86
Current USD								
Total operational income	3,410	3,088				2,654	3,267	2,331
Gross administrative budget	1,397	1,382				1,429	1,469	1,496
Receipts	-239	-224				-243	-248	-254
Net Administrative Budget	1,158	1,158				1,186	1,221	1,242
Capital Budget (IT and Facilities)	86	80				96	88	92
Memo items:								
Carry forward (upper limit)	47	…				48	…	…
Global external deflator (change) 2/	2.6	…				2.4	2.4	2.3
Personnel component (70 percent)	2.7	…				…	…	…
Non-personnel (30 percent)	2.3	…				…	…	…

Source: Office of Budget and Planning.
Note: Numbers may not add to totals due to rounding.
1/ Includes travel to the Annual Meetings held abroad.
2/ Starting in FY 21, reflects most recent updates for the January 2020 WEO projections of U.S. CPI.

BUDGET EVOLUTION OVER THE LAST DECADE

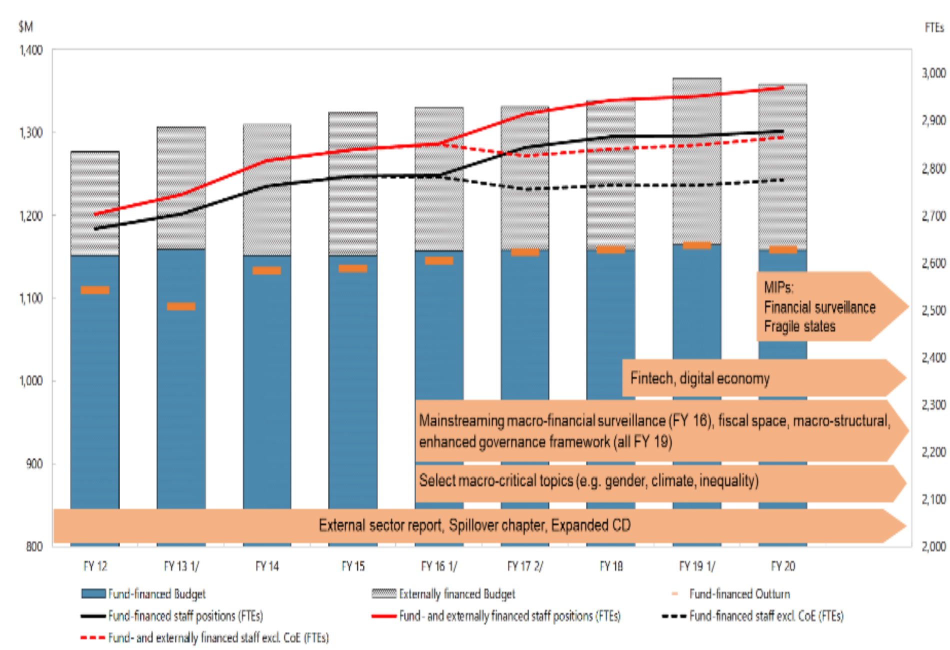
8. **Over the last decade, the Fund's budget has evolved to meet changing needs, while fostering spending efficiency and safeguarding financial sustainability.** Since FY 12, the Fund's structural budget has been kept flat in real terms. This followed a period of budgetary consolidation prior to the global financial crisis, and one of measured increase thereafter to address the crisis and support the Fund's enhanced role in safeguarding global economic and financial stability. Overall, the Fund's budget today is about 7 percent lower in FY 20 dollars than its pre-crisis level in FY 07.



Source: FACTS, Office of Budget and Planning.

9. **Within the flat real budget envelope, Fund activities have shifted in a rapidly changing world** (Figure 1). Reflecting lessons from the global financial crisis, the Fund introduced the External Sector Report, deepened its spillover work, and strengthened the underpinnings of policy advice on macro-financial issues. It took on new emerging macro-critical issues, in particular, macrostructural policies to foster growth, fiscal space, and governance, climate change, inequality, and digitalization. In addition, the Fund has increased its focus on fragile and conflict-affected states (FCS) and expanded its CD delivery

Figure 1. Doing More Within a Flat Real Budget Envelope
(FY 12-FY 20, in millions of FY 20 U.S. dollars, unless otherwise noted)



Source: Office of Budget and Planning
1/ Includes additional resources for Annual Meetings held abroad.
2/ Includes $6 million earmarked for security.

significantly, increasingly supported by donor financing. Internal support activities have also increased, reflecting greater investment in knowledge and risk management, upgrading of data management tools, as well as pressures from IT and physical security. The Fund also enhanced and expanded its communication efforts, to understand better the concerns of members and stakeholders, and to convey the IMF's advice in a more impactful way. As the Fund responded to these evolving priorities, it continued to improve its tools to report on activities, with tracking work on specific topics often being done through ad-hoc surveys (Appendix III).

10. **Staffing has grown by around 250 FTEs since FY 12, including externally-financed positions.** Close to 100 additional staff positions were financed through administrative measures, e.g., real erosion in travel budgets, release of central margins, and other savings from efficiencies in departments. Over 50 additional positions were funded by donors, helping to support expansion in CD activities. Moreover, 120 FTEs were added in FY 16–18 through implementation of the Categories of Employment (CoE) reform for work previously staffed by contractual employees, with a small number of positions added in FY 19-20. In parallel, the Fund has increased its field presence. Since FY 12, the number of resident representatives, experts, and staff in regional capacity development centers has increased over 40 percent. Combined with local staff, the Fund has some 900 staff in 114 offices, more than half of which are in low-income countries and fragile states.

11. **The Fund's ability to respond nimbly to changing needs has been supported by:**

- **Strengthened execution.** Utilization of the Fund's administrative budget has increased to near 100 percent, supported by enhanced budget procedures. This includes provisions to carry forward a portion of unspent resources into future years, providing a buffer that has facilitated high execution in recent years.

- **Increased donor funding.** External funding has doubled since FY 12, now supporting about 60 percent of the Fund's CD operations. This funding, coupled with an increase of the Fund's own resources, has underpinned the ramp up in CD to about a third of Fund activities.

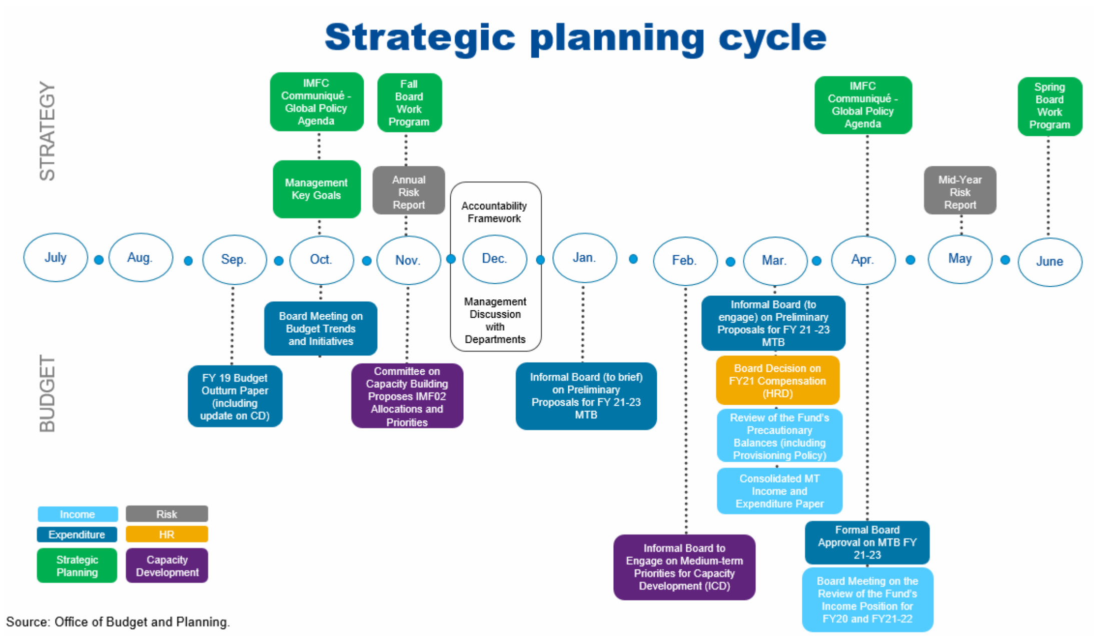
- **Modernization and streamlining.** Reprioritization efforts have been supported through centralized streamlining exercises. A $20 million package of measures, agreed as part of the FY 16 medium-term budget, focused on streamlining a range of multilateral surveillance outputs, moving most regular policy reviews to five-year cycles, reducing the frequency of country program reviews and post-program monitoring, and reducing funding for technical assistance available to advanced economies. In mid-2018, a follow-up modernization and streamlining review proposed measures across a wide range of Fund activities, most of which have been implemented or folded into ongoing modernization efforts (Appendix IV).

- **Reprioritization.** The discipline of a flat real budget environment has also driven a multi-pronged effort to identify opportunities for efficiencies. As part of the broader strategic planning framework (Box 1), a structured annual exercise was introduced in FY16 to identify savings, leading to a broad range of measures across departments (Box 2).

12. **Shifts in the Fund's priorities have been reflected in reallocations across departments** (Figures 2 and 3). Since the global financial crisis, Fund-financed resources have stabilized in area departments as program work eased, and have grown in functional departments (SPR, RES, FIN, and COM).[3] Since FY12, the share of CD-delivering functional departments in total resources has increased significantly (particularly FAD), mainly driven by the significant growth in CD financed by donors. The share of the four main support departments (CSF, HRD, ITD, SEC) has risen over this time, reflecting spending pressures on physical and information security, and provision of support services that are more integrated with business needs (e.g. creative services, enhanced campus facilities, annual and spring meetings).

Box 1. The Fund's Budget Process

Strategic Framework: The budget process is part of a broader strategic planning framework incorporating activities on strategic prioritization, risk management, and financial and budget management. The starting point for the annual budget exercise is the membership's priorities as expressed in the Managing Director's Global Policy Agenda, the IMFC Communiqué, and the Board Work Program. Together, these priorities guide the focus of bilateral and multilateral surveillance, policy and analytical work, CD, and internal reforms. The budget process also takes on board input from periodic policy reviews and evaluations.



Source: Office of Budget and Planning.

Reallocating resources: Redirection of resources mainly takes place within departments and existing workstreams. The budget process itself translates priorities into reallocations across departments and outputs as needed. This is conducted through a "savings and demands" exercise. Departments, in consultation with OBP and management, identify where additional resources are needed to respond to the membership's needs and management's guidance. In recent years, these gross reallocations, along with central savings and modernization, have amounted to about 2-4 percent of the administrative budget. In FY 21, departments identified further measures—in addition to the savings and demand process—as contingency savings that could be tapped as needed.

[3] The FY17 reduction in area department budgets reflects centralization of payments for overseas allowances.

Box 1. The Fund's Budget Process (concluded)

Link to other budget-related issues: In parallel, the Board reviews the income and expenditure position, staff compensation, and the capital budget. In FY 21 the Fall Committee on Capacity Building (CCB) established stronger links with the budget process and a Board briefing on the implementation of CD priorities has been added.

Transitional Funding: New priorities are often initially accommodated through transitional resources and absorbed into structural resources in subsequent years. For example, a small amount in transitional resources was provided for anti-corruption/governance work beginning in FY 18. As the enhanced governance framework was adopted, resources were increased in FY 19 with a 60–40 percent mix between structural and transitional. In FY 20, the share of resources for anti-corruption/governance provided on a structural basis was increased further to 80 percent. This approach allows new priorities to be absorbed into the structural base over time, as savings in other areas create room.

Box 2. Examples of Departmental Savings Measures

Departments have undertaken measures from fundamental changes in the way they work to more targeted one-off measures with small impact individually but significant cumulative effects. Examples include:

Country work/Analytics:

- Strengthened rigor in shifting country-by-country resourcing (numbers and levels) in line with changing circumstances (e.g., vulnerability; program status).
- Reduced field presence where program engagement has wound down (e.g., consolidation or closure of European field offices post crisis), with increased field presence where new programs were being put in place or to support CD (e.g., RTAC serving Central Asia, Caucasus and Mongolia, CCAM).
- More selective and focused use of SIPs, as well as Staff Discussion Notes, with a stronger link to Fund and member priorities.
- Cross-departmental coordination on analysis and operationalization of work on emerging issues to avoid overlap and ensure knowledge and experience sharing. Interdepartmental working groups and committees, as well as country piloting, play a key role in this regard (e.g., Surveillance Committee; CD-Surveillance Integration Working Group; Gender; Fiscal Space; Macro-structural; and Inequality Pilots).
- Continued shift to more focused country review, e.g., covering a narrower set of vulnerable or systemic countries, focusing on key topics, or lighter review for staff reports after full review of policy notes.
- Reduced travel through more targeted missions, greater remote engagement, and advanced ticketing.

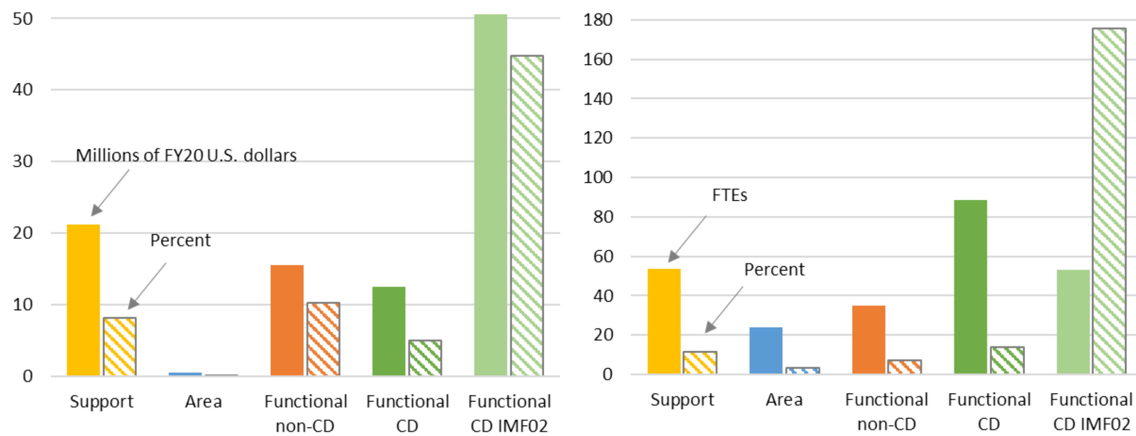
Policy:

- Sequenced policy reviews on related topics to minimize bunching for relevant staff.
- Paced policy reforms consistent with available resources (e.g., standard five-year cycle for policy reviews, paced CD-Strategy review implementation agenda).

Services:

- Outsourced or reduced services (e.g., ground transportation; reduced direct overseas residential real estate support; switch from print to online publications); rationalization of data subscriptions and contract renegotiations (e.g., mail services).

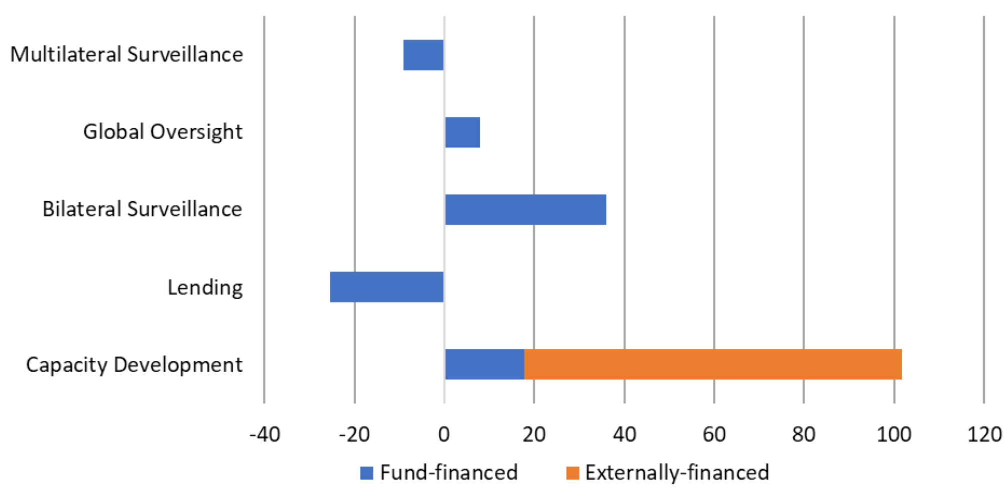
Figure 2. Change in Structural Budgets and FTEs by Department Type, FY 12-20



Source: Office of Budget and Planning.
Includes donor financing.
Resources in area departments and functional CD (MCM) adjusted by about $14.5 million during FY12-16 due to a shift in payment of overseas allowances to central accounts that happened in FY17.
Support departments include TGS from FY12-16 (split into CSF and ITD starting in FY17), HRD, SEC, OBP, OIA, and, from FY15, ORM.

Figure 3. Change in Budgetary Resources by Output, FY 12-20[1/]

(Millions of FY 20 U.S. dollars)

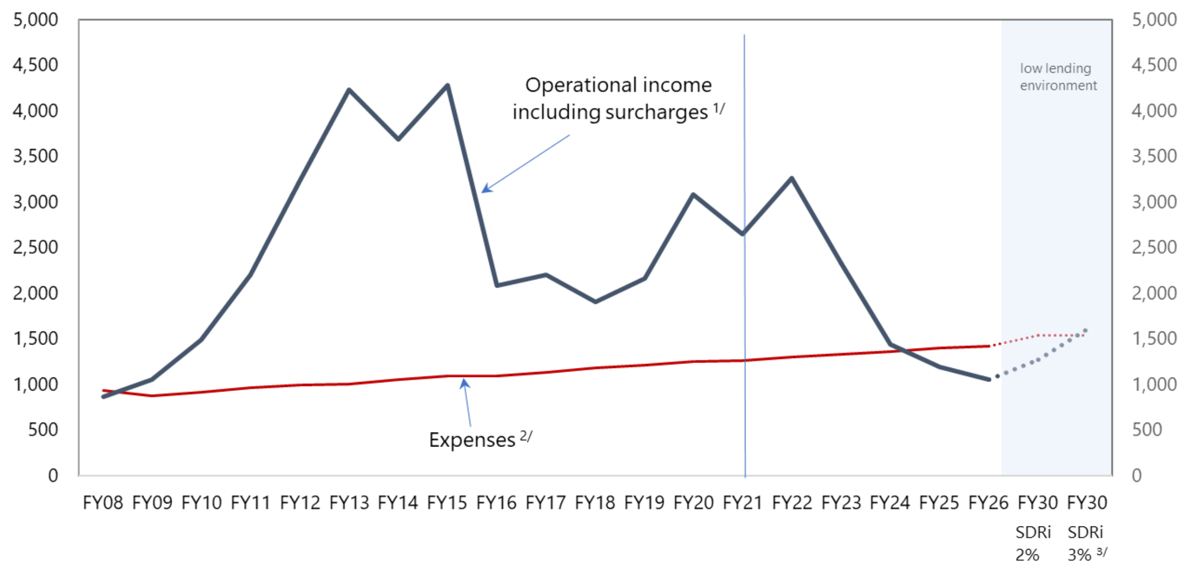


Source: Office of Budget and Planning, ACES.
1/ Excludes support and governance costs.

13. **Maintaining a flat real budget has supported the IMF's long-term financial sustainability.** Fund income has fluctuated, reflecting changes in the use of Fund resources. In FY 20, income remains well above administrative expenses. Looking ahead, a conservative scenario of low program engagement implies that the income position will not be a binding constraint in the medium term. The projections in Figure 4 include scheduled disbursements (and income) related to

Figure 4. Actual and Projected Income and Expenses

(FY 08-FY 30, in millions of U.S. dollars)



Source: Finance department

1/ Operational income including surcharges excludes IAS 19 gains and losses, and includes investment income from the Fixed-Income Subaccount and payouts from the Endowment Subaccount. The endowment payout is indicative and assumes a constant payout of 1 percent of the NAV (in US$) starting in FY 2021, adjusted for inflation in the following years.

2/ Assumes that the net administrative budget is held constant in real terms.

3/ The illustrative scenarios in FY 2030 assumes SDR interest rate of 2 to 3 percent and payouts of 1 to 1.5 percent of the NAV, credit outstanding to be SDR 20 billion, precautionary balances at SDR 15 billion, and the premium on investment return equal to 50 basis points.

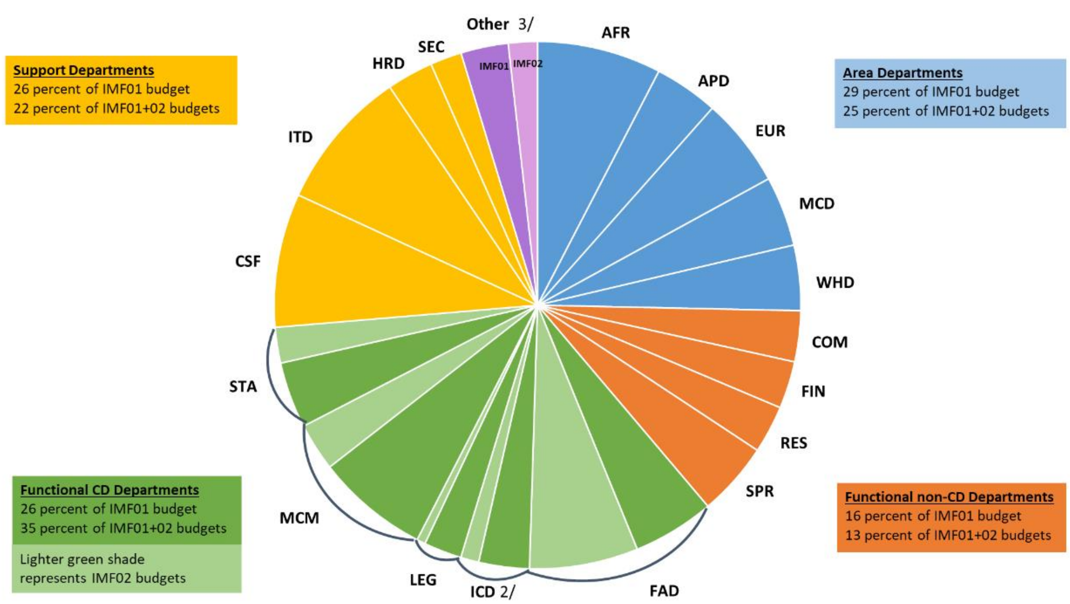
current arrangements but assume no new arrangements. The fall in operational income reflects mainly the sharp rise and size of scheduled repurchases in coming years and the corresponding drop in average credit outstanding from about SDR 70 billion in FY 21 to SDR 34 billion by FY 24. The accompanying Consolidated Medium-Term Income and Expenditures Framework paper provides information on the sensitivity of income to changes in central assumptions.

14. **Implementation of the FY 20 budget is on track** (Appendix II). Resource reallocation in FY 20 supported work on the enhanced governance framework and macro-financial surveillance, as well as support for key policy and analytical initiatives (i.e., trade, digital economy, public debt, and international taxation). Spending through the first half of the financial year relative to the same period last year suggests a shift from bilateral surveillance to lending, with program-related work intensifying in AFR and WHD. An increase in externally financed CD spending is also envisaged through strengthened utilization of available resources, within the approved gross limit. Activity on flagships is projected to increase, as is broader analytical work, partly driven by spending on fintech and cybersecurity related projects, as well as work on monetary and financial policy. Internal support

spending is expected to be slightly higher than budgeted, driven by institutional change and modernization, including the now-completed Comprehensive Compensation and Benefits Review (CCBR). Spending on personnel, buildings, and other services is projected to be higher than budgeted but has been offset by a considerable underspend on travel. Overall, the approved structural budget is projected to be spent fully without recourse to the carry forward, which would remain available for FY 21.

Figure 5. Distribution of Budgetary Resources by Department, FY 20[1/]

(in percent of total Fund- and donor financed budgets)



Source: Office of Budget and Planning.
1/ Departmental spending, including donor financed, as a share of total, excluding central resources, OED, and IEO.
2/ ICD also includes the Joint Vienna Institute and Singapore Training Institute.
3/ Includes for IMF01: Office and Budget and Planning, Office of Risk Management, overseas offices, Office of Internal Audit, Administrative Tribunal Office, Secretarial Support, Office for Asia and the Pacific, Office in Europe, the Ombudsman, the Mediator, Ethics, Grievance, Economic Data Team, Investment, HQ1 Task Force, Knowledge Management, Innovation Lab, and the Independent Investigator. For IMF02: some overseas offices and training institutes not included in ICD (see footnote 2).

15. **Area and functional departments account for about 80 percent of budgeted resources in FY 20, including externally financed funding** (Figure 5).[4] Area departments represent around 25 percent of the budgeted resources. The 35 percent share of functional CD departments (FAD, ICD, LEG, MCM, STA) reflects in part the growth of CD, which now accounts for about 40 percent of overall spending in these departments. In this context, external financing now accounts for a significant share of functional CD department budgets—e.g., 57 percent in FAD—and 16 percent of the total Fund budget. Non-CD functional departments (SPR, RES, FIN, COM) account for 16 percent of the Fund's budget. The four main support departments (CSF, HRD, ITD, SEC) represent about a quarter of budgeted resources.

[4] Excluding Offices of Executive Directors.

PROPOSED FY 21 ADMINISTRATIVE BUDGET

A. Priorities

16. **The FY 21 budget continues to redirect resources to meet the Fund's priorities.**

- ***Country operations:*** enhance resilience and address social and development challenges to secure sustainable and inclusive growth and employment. Priorities include fragile and conflict-affected states (FCS), the enhanced governance framework, and financial surveillance. A complementary prioritization exercise is undertaken for the Fund's CD operations (Box 3).

- ***Analytical and policy work:*** Increased recognition of the macroeconomic and macro-financial impact of climate change; fintech (including digital currencies), cybersecurity, and inequality; the impact of sustained low interest rates; trade; and development of an Integrated Policy Framework. Work in these areas will be supported through reallocation of departments' existing budgets, as well as new resources provided in the FY 21 budget.

- **Key reviews planned for FY 21 include:** data provision for surveillance purposes, delayed Article IVs, the Catastrophe and Containment and Relief Trust (CCRT), Debt Sustainability for Market Access Countries (MAC DSA), and debt limits. These reviews are primarily financed by reallocating resources from completed/near completed reviews (e.g. Comprehensive Surveillance Review, or CSR, conditionality) to new reviews.

- ***Modernizing the Fund:*** The CCBR, completed in December 2019, introduces reforms to ensure that the Fund's compensation and benefits package can attract, motivate, and retain a high-caliber international staff.[5] It is expected to be broadly budget neutral in FY 21 (Appendix V). Work on other large modernization projects will continue. Most of these projects are in early stages, with temporary costs in the short term but with significant savings expected in the medium term.

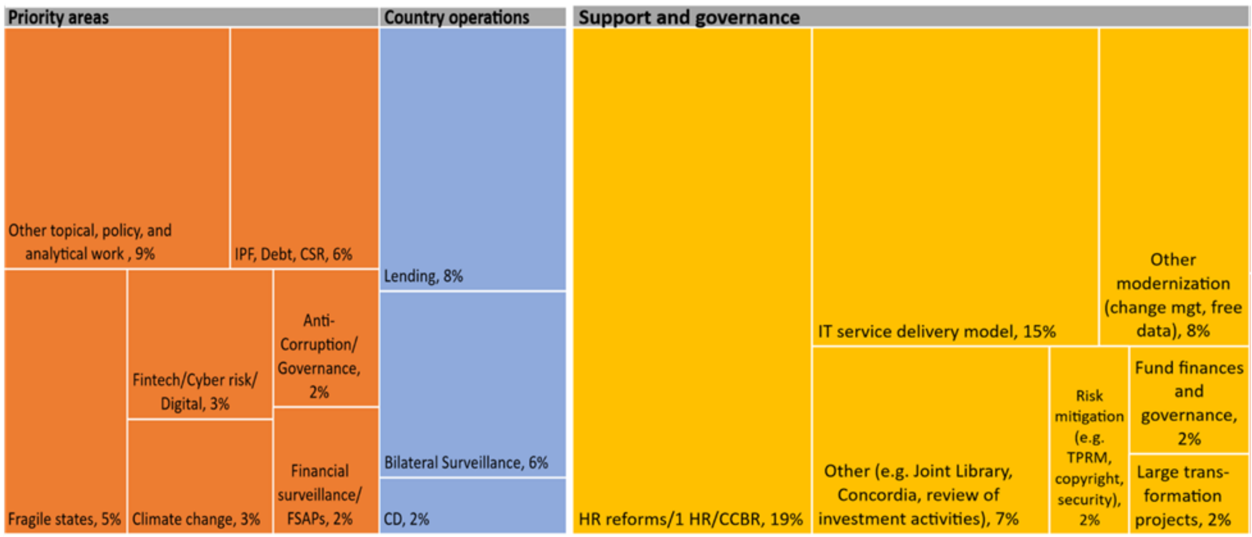
[5] The CCBR proposes more targeted measures to support competitiveness, which could include recruitment incentives for premium skills, higher pay increases at promotion, and programs aimed at enhancing recruitment of staff from under-represented regions. Additional investment in human capital development (such as technical and managerial training) and programs to facilitate mobility and rotation are also under consideration. Work is underway within HRD on these issues. Future budget reporting will set out proposals for these measures.

B. FY 21 is a Year of Transition

17. **The proposed FY 21 net administrative budget is flat in real terms.** Gross new demands of $81.5 million (structural and transitional) would be funded through reallocating within and across departments, holding the travel budget constant in nominal terms (as has been done for the past six years), and other streamlining efforts. Transitional demands would be accommodated through a higher upfront allocation of carry forward resources, as well as other one-off central resources.

Figure 6. Gross New Spending by Themes

(structural and transitional resources, $81.5 million)



Source: Office of Budget and Planning.

Note: In some areas, there is a natural overlap across priority areas. e.g., the Fund looks at climate change as well as the financial sector in fragile states. In cases of overlap, the demand is allocated to the respective priority area.

18. **FY 21 can be characterized as a year of transition.** Resource costs of HR reforms, the ITD Service Delivery Model and large modernization projects entail large transitional costs in FY 21, accounting for some 55 percent of gross new spending. However, the associated structural savings from the HR reforms offset these costs on a net basis and have been allocated largely to new priority topics and country operations. Indeed, significant new spending is programmed for core activities to address direct needs of the membership. On the capital side, substantial investment is needed to support modernization projects in the short term, along with investment in the risk and information security infrastructure. Work continues to ensure that risk mitigation efforts are appropriately coordinated and resourced and that budget risks are also fully recognized.

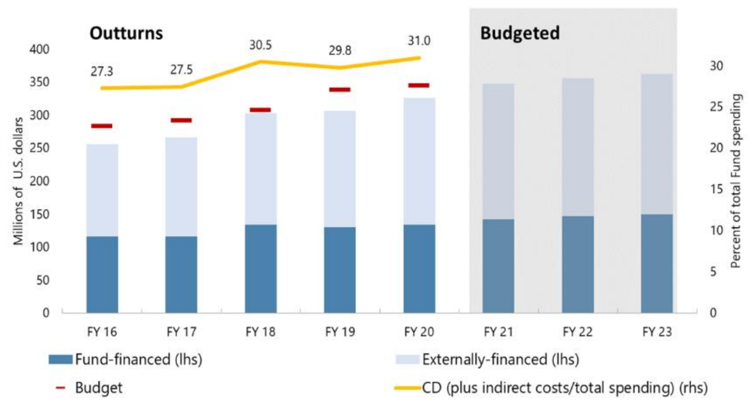
Box 3. CD Prioritization and Budgeting[1]

The framework for CD budgeting and prioritization continues to mature. Following the 2018 CD Strategy Review, it has been further strengthened and streamlined in the current cycle by developing high-level resource envelopes as part of the CD budget process. This framework will guide the more detailed resource allocation process and a separate discussion on fundraising implications.

The process has the following main features:

- The budget process **establishes total resources for CD**, including an envelope for externally-financed activities and resources made available by CD departments within their Fund-financed budgets.
- In the fall, the CCB **reviews CD priorities and areas targeted for growth** for the coming three-year period; discusses indicative allocations to workstreams, regions and these "growth areas"; and sets the departmental spending limits on externally-financed CD activities.

CD Spending, FY 16-23



Source: OBP FACTS data, Analytic Costing and Estimation System (outturns), and staff estimates based on medium-term resource allocation plan discussions (budgeted), as of December 2019.
Note: Fund-financed and externally-financed spending, excluding support and governance (indirect costs).

- In the spring, the CCB **considers fundraising needs** to support implementation of agreed priorities and budgets.
- CD and Area Departments **agree detailed delivery plans**, in line with priorities. Resulting medium-term projections are discussed by Department Heads and approved by Management early in the financial year.

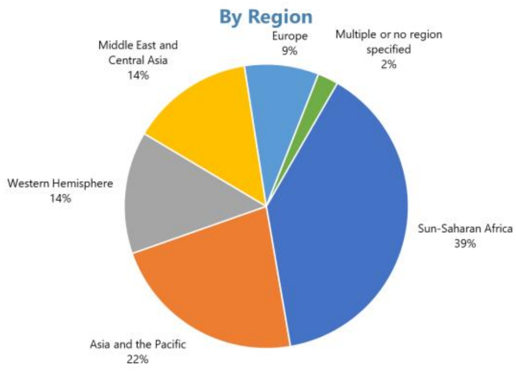
This annual cycle is to be underpinned by the implementation of CDMAP which is scheduled to go live during FY 21 and to complete roll-out during FY 22.

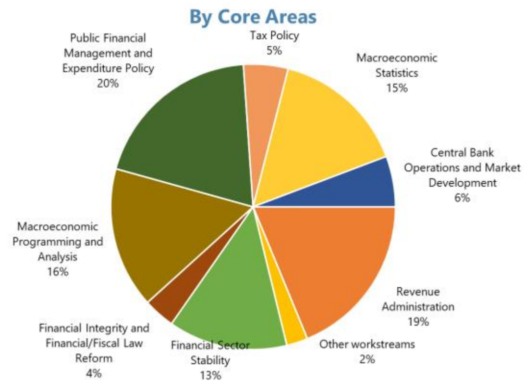
The prioritization framework ensures that the Fund delivers CD in its core areas of expertise. Thus, these areas will continue to represent the bulk of the Fund's CD spending. The indicative medium-term allocations discussed by the CCB, which integrate existing commitments, expected new country demands, as well as changing institutional and area department priorities, show some changes in delivery composition between FY 19-23. Notably:

- In revenue mobilization, a shift from revenue administration towards tax policy.
- A shift in delivery to AFR and MCD countries, given the focus on low-income and fragile states.

Box 3. CD Prioritization and Budgeting (concluded)

Planned CD Spending, FY 23



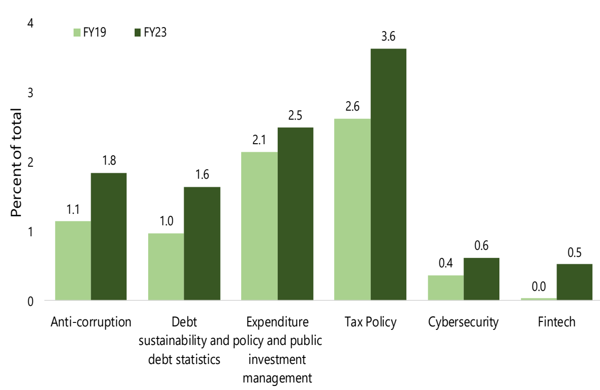


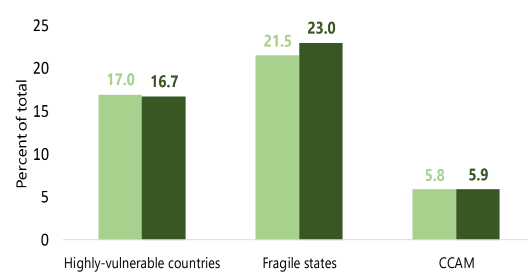
Change in Share of Direct CD Delivery, FY 19-23

(percentage points)

The fall 2019 CCB reviewed the set of narrower CD "growth areas" within these core areas where an increase in the share of CD over the medium term is being targeted. Almost all topical and country groupings areas are planned to grow over the medium term. The CCB also added climate change as a "growth area", reflecting its importance to members.

Planned Increase in Share of CD on "Growth Areas", FY 23





Source: Staff estimates based on ACES/TRACES (FY19 outturn) and medium-term resource allocation plan discussions (FY 23 plan), as of December 2019.

1/ Prepared by ICD.

19. **The following three sections lay out details of the FY 21 savings and demand exercise**, which allowed for funding of net new demands (net structural plus transitional) totaling about 4 percent of the Fund's administrative budget.[6] The first section considers allocation by priority area, the second by thematic category, and the third by department.

C. Proposed Spending on Priority Areas

20. **The FY 21 administrative budget proposal provides resources to help fund the following priority areas (in gross terms, unless otherwise indicated** (Figure 7)**):**

- *Financial surveillance/Financial Sector Assessment Program (FSAPs):* $1.4 million, mainly to support related activities in MCM, addressing broadbased calls for more work in this area (including by the Independent Evaluation Office Report on Financial Surveillance, ongoing discussions on the FSAP Review, and the CSR). Current estimated spending on bilateral financial surveillance is around $28–30 million per year. Spending on FSAPs varies depending on countries assessed, but has ranged from $18-21 million. This funding also includes the recent ramp-up in funding for a monetary modeling unit in MCM.
- *Fintech, cybersecurity, and digital economy*: $2.8 million to MCM, LEG, and SPR for analytical and policy work in these areas. Demand for the Fund to provide intellectual leadership, sound policy advice, and to organize opportunities for peer-to-peer learning in these areas has been growing strongly. Spending in these areas was estimated at $8 million in FY 19.
- *Climate change*: $2.2 million, to support country work (e.g. Climate Change Policy Assessments, CCPA), and analytical and Fund policy work in several functional departments (RES, FAD, MCM, and SPR).[7] A top-down staff estimate put spending on climate in FY 19 at $0.7 million, and the final budget paper will provide further analysis of ongoing climate work (Box 4).
- *Anti-corruption/governance:* $1.9 million, mostly to SPR, LEG, FAD, and FIN to help support country teams and review work. The enhanced governance framework in place since FY 19 now covers all countries, such that resource needs are stabilizing and are being regularized as part of structural budgets. The steady-state cost of implementing the enhanced governance framework was estimated in FY 20 at around $6 million.
- *Fragile and conflict-affected states:* $4 million, mostly to AFR, APD, and MCD to support country operations. About half these resources are provided on a transitional basis, reflecting a temporary ramp-up in engagement related to program work.[8] Spending on fragile states is estimated at $100 million per year, of which around half is CD delivery.

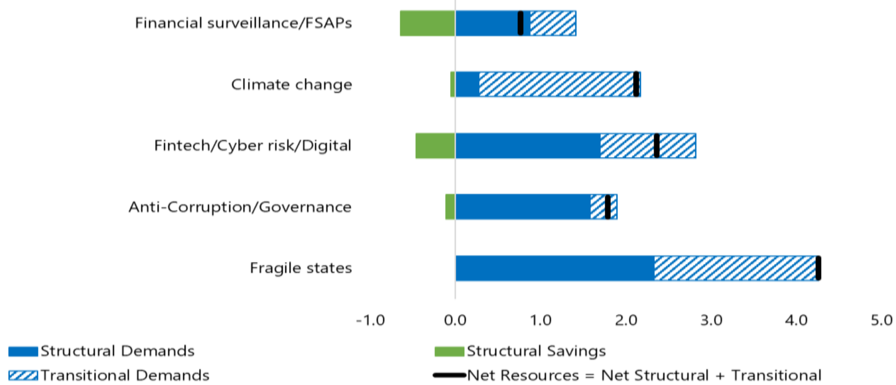
[6] This excludes external financing, except in Box 3 which discusses CD priorities and spending plans

[7] A small amount (less than $50K) is also allocated to CSF to help assess the Fund's own climate footprint.

[8] Resources for anticipated program work are initially provided on a transitional basis and brought into the structural base subsequently as programs materialize, and as structural budget space becomes available from other identified savings.

Figure 7. Proposed Spending in Selected Priority Areas, FY 21

(Millions of FY 20 U.S. dollars)



Source: Office of Budget and Planning.

21. **Other priority areas are addressed through internal reallocations, and resource implications from ongoing policy reviews remain to be determined.** Priority areas for which there were only small or no new resource requests through the institutional budget process—e.g., ongoing work on social protection and inequality, and sustained low interest rates, respectively—will be addressed by reallocating existing departmental resources. Resource implications of the Comprehensive Surveillance and FSAP Reviews—expected to be discussed by the Board next financial year—remain to be determined. Additional resources for financial surveillance/FSAPs are already proposed for the FY 21 budget, given broad-based calls for more resources in this area.

Box 4. IMF's Work on Climate Change

Reflecting the growing recognition across the membership of the need to understand better the impact of climate change on the global economy, the IMF has begun significantly ramping up its work in this area. In FY 19, spending by area departments teams and FAD on Climate Change Policy Assessments and policy work and by MCM (including as part of FSAPs) was about $0.7 million. This does not include spending by other country teams focusing on climate change and policy work on resilience and natural disasters.

A recent survey of area departments by SPR indicated that 29 country teams are expecting to cover these issues during Article IV consultations in FY 21. In addition, significant new policy efforts are planned. The Fund will assess how climate change is priced in financial assets (in the GFSR) and support efforts to encourage the adoption of climate-related financial disclosures. A WEO chapter is planned for October 2020. On a bilateral basis, the Fund is providing policy advice on mitigation strategies, designing fiscal policies such as carbon taxes and emission trading systems, and planning to review Climate Change Policy Assessments (CCPAs, joint with the World Bank). On Fund policy, the Fund is developing a strategy on how to integrate climate change into surveillance more systematically. The Fund will also facilitate the global dialogue, including through the Fall WEO climate chapter ahead of the COP26, possibly a seminar at the Spring Meetings on Building Support for Green Policies. STA, together with MCM, FAD and SPR, plan to develop a basic framework on climate change indicators and produce a dashboard including (i) carbons emissions and environmental damages, (ii) government expenditures for environmental policies, as well as taxes and subsidies and (iii) financing (Green bonds, carbon footprint of loans). The November 2020 IMF Statistical Forum will discuss international statistical efforts in this area. This work will be financed by $2.2 million from the budget (see Section on Priority Areas) and internal reallocation of resources.

D. FY 21 Budget by Thematic Categories[9]

22. **Country operations are projected at $471 million in FY 20 and will receive $13 million in additional resources** (Figure 8)**.** New structural resources of $10½ million and transitional resources of $9.2 million will support enhanced engagement. The allocations for lending and field presence reflect the current outlook for Fund engagement (Box 5). Scaling up or making structural of resident representative offices in countries with increased engagement and establishing (CCAM) is partly offset by $6½ million in savings from reprofiling and closing of existing posts.

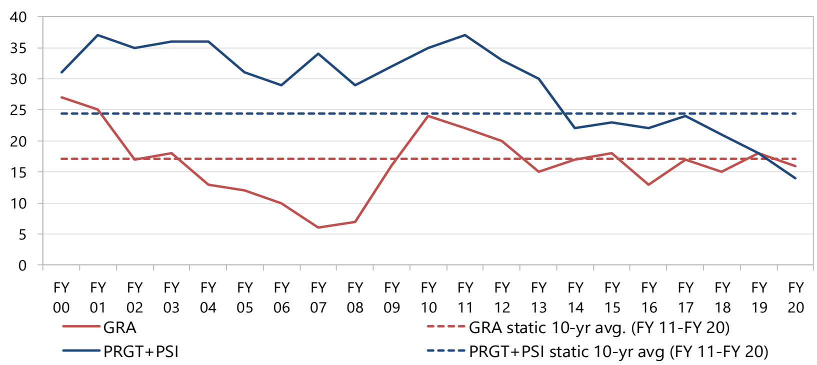
23. **In FY 20, $253 million are expected to be spent on analytical work, multilateral surveillance and cooperation, and Fund policies, and the budget allocates another $7½ million in these areas.** In gross terms, $17 million will go to fund additional work in: fintech, digital currencies, cybersecurity, the digital economy, work on the Integrated Policy Framework, implementation of the CSR, review of the enhanced governance framework, continued work on FCS, debt sustainability, AML/CFT, gender, inequality, social protection, arrears, and safeguards. These gross demands are partly offset by $9½ million in savings from the conclusion of major reviews (e.g. FSAP and PRGT eligibility).

Box 5. Outlook for Fund Engagement

The budget proposal provides resources for country teams in line with the anticipated intensity of FY 21 engagement. As of late 2019, departments expected the number of Fund programs (including non-financial arrangements such as PCI, PSI, or PPM) to increase relative to the current level (which is somewhat below long-term averages)—but to remain in line with the number of programs used when formulating the FY 20 resource allocation. If demands for Fund programs should be higher than anticipated, this could be met through reallocation of resources both within departments (e.g., from surveillance and analytical work to lending activities) and across departments. Larger resource needs could be met by in the short term by overtime, and also by drawing on the Fund's budget contingency (see further discussion in the section on budget risks).

Fund Arrangements, FY 00-20[1/]

(Number of countries)



Source: MONA Database and staff calculations.
1/ Blend GRA/PRGT arrangements are included as PRGT. Based on number of arrangements at end of period. For FY 20, includes current arrangements as of January 13, 2020.

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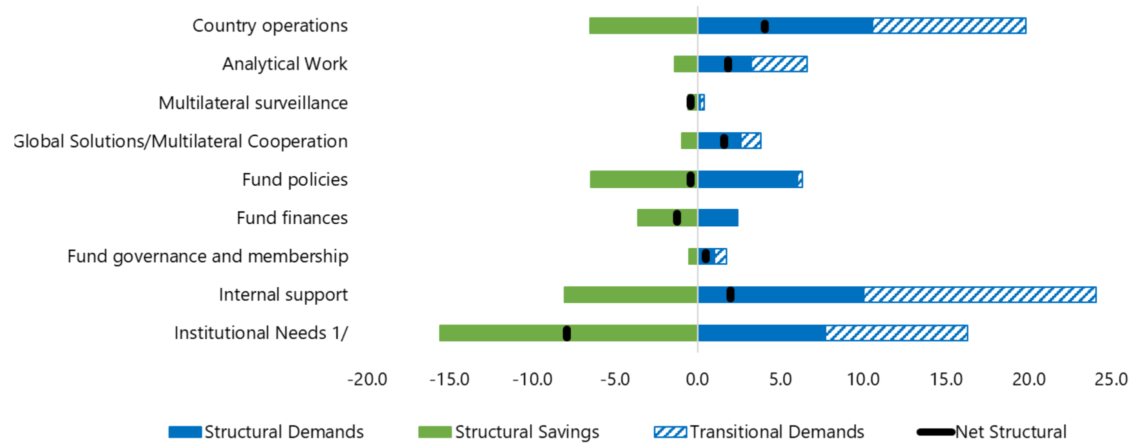
[9] Appendix VI presents the proposal in more detail.

24. **Fund finances, governance, and internal support will receive $16 million in net additional resources on top of the $452 million projected in FY 20.** $13.4 million go to Fund finances and governance, including staff work related to IEO evaluations, third party risk management, copyright issues and to cover revenue losses from making the Fund's digital publications free of charge. In addition, $14.7 million will go to transitional needs to support ITD's new service delivery model, change management, the new video wall, as well as revenue shortfalls in the Concordia and parking fees collection. Savings of $12 million, e.g., from the completion of policy work on the CCBR, will offset some of these new spending demands.

25. **Under the institutional needs category, $8 million in net structural savings are expected.** These arise from the CCBR, HR reorganization, holding the travel budget flat in nominal terms, and other streamlining efforts. At the same time, there are $8 million in transitional funding needs, mainly related to the shift to the new HR service delivery model.

Figure 8. Proposed Changes in Resources, by Thematic Categories, FY 21

(Millions of FY 20 U.S. dollars)



Source: Office of Budget and Planning.
1/ Includes price adjustments in commercial data subscriptions, adjustments related to the CCBR and HR Reorg and savings from holding the travel budget constant.

Table 2. Gross Administrative Fund-Financed Resources: Estimated Allocation by Activity, FY 20-21

(Millions of FY 20 U.S. dollars)

	FY 20				FY 21				
	Structural	Transitional	Total	Est. Outturn	Structural Demands	Structural Savings	Structural	Transitional	Total
	(a)	(b)	(c) = (a)+(b)		(d)	(e)	(f) = (a)+(d)-(e)	(g)	(h) = (f)+(g)
Gross Expenditures	**1,197**	**25.8**	**1,223**	**1,190**	**40.8**	**43.7**	**1,194**	**37.8**	**1,232**
Analytical Work	99	2.0	101	100	3.2	1.4	101	3.4	104
Multilateral surveillance	72	0.3	72	71	0.1	0.6	72	0.2	72
Country operations	466	10.4	477	471	10.3	6.5	470	9.2	479
Global Solutions/Multilateral Cooperation	44	1.2	45	45	2.6	1.0	46	1.3	47
Fund policies	35	1.0	36	36	6.0	6.5	35	0.3	35
Fund finances	29	0.5	29	29	2.4	3.6	27	0.0	27
Governance and membership	119	0.8	120	117	1.0	0.5	119	0.7	120
Internal support	295	9.7	305	306	7.5	8.1	294	14.0	308
Institutional Needs 1/					7.7	15.6	-8	8.6	1
Miscellaneous 2/	24		24	15			24		24
Contingency 3/	14		14				14		14
Receipts	(39)		(39)	(32)	2.9		(36)		(36)
Net Expenditures	**1,158**		**1,184**	**1,158**	**43.7**	**43.7**	**1,158**		**1,196**
Carry forward			**47**						**48**
Total Available Resources			**1,205**						**1,206**

Source: Office of Budget and Planning, Analytic Costing and Estimation System (ACES). Mapping based on staff estimates.
Note: Numbers may not add to totals due to rounding.
1/ Includes price adjustments in commercial data subscriptions, adjustments related to the CCBR and HR Reorg and savings from holding the travel budget constant.
2/ The "Miscellaneous" classification covers expenditures that currently cannot be allocated within the ACES model.
3/ Includes the contingency for staff, OED, and IEO.

E. FY 21 Budget by Departments

26. **The proposed shift in resources across outputs is mirrored in shifts in departmental budgets.** On a structural basis, area and functional departments will see an increase, while support departments will remain flat. The overall net structural increase for departments is funded from savings from streamlining HR service delivery, holding the travel budget constant in nominal terms, and other streamlining efforts. Transitional resources will help departments meet short-term needs, including those arising from the transition to the new HR service delivery model. Key departmental highlights are summarized below and in Tables 3 and 4. The impact of the HR reforms is shown as central savings. The final FY 21-23 medium-term budget paper will show in detail how the savings from the HR reforms will translate into structural and temporary adjustments in individual departmental budgets.

27. **The budget provides for intensified country engagement in area departments. AFR** will receive structural and transitional resources to support work on programs and FCS, including the upsizing of the RR post in Ethiopia. ***APD*** will receive structural and transitional resources to finance intensified surveillance work and to support work on climate change and fragile and small states. ***EUR*** will continue its structural consolidation with the support of transitional resources; savings will accrue from the closure of the RR post in Greece. ***MCD*** will receive resources for increased engagement with vulnerable countries and analytical work, and field-based resources for CCAM and a local coordinator in Morocco to support preparation of the 2021 Annual Meetings. ***WHD*** will receive structural resources for RR posts previously funded on a transitional basis, and transitional funding for intensified surveillance and program work.

28. **Allocations to non-CD functional departments are in line with new policy and review work.** ***FIN,*** which plans significant internal reallocation of its resources to meet new needs, will receive a small amount in transitional resources for the safeguards review and non-capital IT development on mandated policy. ***RES*** will receive structural resources to regularize financing for the Common Surveillance Database team and the Structural Reforms Unit, as well as transitional resources to support work on climate change. ***SPR*** will receive structural and transitional resources to support work on climate change, FCS, CSR, IPF, the Integrated Digital Workplace, and the G20 presidencies. ***COM*** will provide net savings from modernizing the Fund's publications and moving to free digital publications and will receive transitional resources for a secondment from the World Bank.

29. **The resource mix in functional CD departments is aligned with thematic and country groupings priorities.** ***FAD*** will receive transitional resources mainly for work on climate change, the Sustainable Development Goals, and enhanced governance framework. ***ICD*** will receive transitional resources to lead the CDMAP Project. ***LEG*** will receive structural and transitional resources for work on the enhanced governance framework and on fintech. ***MCM*** will receive significant structural and transitional resources, including for financial surveillance/FSAPs, cybersecurity, fintech (including digital currencies), the IPF, and the Monetary Policy Modelling Unit. ***STA*** will receive a small amount in transitional resources to support the iDATA project and will initially fund work on climate change through internal reallocation of resources.

30. **Support departments (excluding HRD) will receive transitional resources for risk management and modernization efforts.** ***CSF*** will receive transitional resources to cover third party risk management, enhanced security services in GSOC, copyright issues, revenue shortfalls in Concordia and parking fees, and for work on the Fund's climate footprint. ***ITD*** will receive transitional resources to move towards an improved service delivery model based on managed-service providers. Moving to a new service delivery model will generate savings over time and help both contain the overall level of IT spending and direct it towards the key priorities.

31. **HRD will receive significant structural budget increase, reflecting the move of all HR functions from departments to HRD.** The structural budgetary impact of this reform on each department, as well as resource needs during the transition to the new model, are still being finalized and will be reflected in the final FY 21-23 medium term budget paper.

Table 3. Budget Adjustments by Departments, FY 20-21

(Millions of FY 20 U.S. dollars)

	FY 20 Approved Budget	FY 20 Transitional Funds 1/	FY 21 Proposed Adjustments: New Structural Spending	Structural Savings & Reallocations	Net Structural Increase (+)	Transitional Resources
Area	**303.3**	**7.2**	**7.4**	**5.1**	**2.2**	**8.0**
AFR	91.0	2.1	2.4	1.3	1.0	1.9
APD	44.3	0.8	0.9	0.6	0.4	1.2
EUR	67.6	2.9	0.7	1.7	(1.0)	2.1
MCD	52.5	0.2	1.1	1.0	0.2	1.6
WHD	47.8	1.2	2.2	0.5	1.7	1.3
Functional Non-CD	**163.0**	**4.0**	**13.7**	**12.0**	**1.7**	**3.9**
COM	38.4	0.1	-	0.7	(0.7)	0.3
FIN	35.6	0.5	4.2	4.2	0.0	0.4
RES	34.8	0.2	1.3	0.1	1.2	0.8
SPR	54.3	3.2	8.2	7.0	1.2	2.4
Functional CD	**260.3**	**4.8**	**5.5**	**2.8**	**2.7**	**4.6**
FAD	61.8	1.2	0.5	0.4	0.1	1.2
ICD	34.5	0.7	0.4	-	0.4	0.4
LEG	28.6	0.6	1.8	1.2	0.6	0.5
MCM	85.4	2.1	2.6	1.0	1.6	2.2
STA	50.0	0.3	0.3	0.3	-	0.3
Support	**280.2**	**8.8**	**4.9**	**4.7**	**0.3**	**10.4**
CSF	101.2	1.8	0.8	0.8	0.0	1.7
HRD 2/	35.0	5.0	-	-	-	-
ITD	106.7	1.0	3.2	3.2	-	8.6
OBP	5.2	-	0.3	0.3	-	-
OIA	5.2	-	-	-	-	-
ORM	3.0	0.2	0.4	0.4	-	0.1
SEC	23.9	0.8	0.3	-	0.3	-
Small offices 3/	**34.7**	**0.6**	**1.9**	**1.6**	**0.3**	**2.2**
Other (OED, IEO, Center) 4/	116.7	0.4	2.6	1.9	0.7	0.6
Total departments, offices, and other	**1,158.2**	**25.8**	**36.0**	**28.1**	**7.9**	**29.8**
1HR/HR reorganization and CCBR		-	7.7	11.9	(4.2)	8.0
Central Savings (est.) 5/				3.7	(3.7)	
Grand Total	**1,158.2**	**25.8**	**43.7**	**43.7**	**(0.0)**	**37.8**
Memorandum items						
Estimated available carry forward and other						55.5
of which:						
Departments & Center						32.3
OED						15.1
IEO						0.3

Source: Office of Budget and Planning.

1/ Ex-ante, in line with FY 20-22 Medium-Term Budget paper; actual transfers may vary.

2/ Pre HR Reorganization.

3/ Includes the Offices of the Managing Director and Deputy Managing Directors, Innovation Lab, Knowledge Management, Office for Asia and the Pacific, Office in Europe, Overseas Trainining Offices, Economic Data Team, HQ1 Task Force, Mediator, Ethics Office, Office of Internal Investigation, Secretarial Support Group.

4/ Includes price adjustments in commercial data subscriptions, loss of revenue due to free data, and other small reallocations.

5/ Includes savings from holding the travel budget constant and other small adjustments.

Table 4. FTE Changes by Departments, FY 20-21

(FTEs)

	FY 20	FY 21 Proposed 1/		Transitional	
	Approved Budget	Structural Adjustments	Total	FY 20 2/	FY 21 Proposed
Area	**789**	**5**	**794**	**18**	**18**
AFR	226	3	229	5	5
APD	114	2	116	2	3
EUR	180	(3)	177	8	4
MCD	136	2	137	1	3
WHD	133	2	135	3	3
Functional Non-CD	**502**	**8**	**510**	**10**	**10**
COM	92	-	92	-	1
FIN	130	0	130	-	-
RES	110	4	114	1	2
SPR	170	4	174	9	7
Functional CD	**728**	**9**	**737**	**8**	**10**
FAD	162	1	163	3	1
ICD	124	-	124	1	1
LEG	84	2	86	2	1
MCM	222	6	227	3	7
STA	137	-	137	-	-
Support	**516**	**1**	**517**	**7**	**1**
CSF	163	-	163	-	1
HRD	91	-	91	6	-
ITD	153	1	154	-	-
OBP	16	-	16	-	-
OIA	16	-	16	-	-
ORM	10	-	10	-	-
SEC	68	-	68	1	-
Grand Total	**2,535**	**22**	**2,558**	**43**	**38**
Small offices	**70**	**(2)**	**68**	**1**	**1**
Other (incl. OED/IEO)	**272**	**-**	**272**	**-**	**-**
Total	**2,878**	**20**	**2,898**	**44**	**39**
1HR/New HR Service Delivery 3/		**(26)**	**(26)**		**26**
Fund-financed Total	**2,878**	**(6)**	**2,872**	**44**	**65**
Donor financed	**91**	**...**	**n.a.**		
Grand Total	**2,969**				

Source: Office of Budget and Planning.

1/ Totals may not add up due to rounding.

2/ Ex-ante, in line with FY 20-22 Medium-Term Budget paper; actual transfers may vary.

3/ Preliminary estimates subject to change. Reflecting HR reorg (gross FTE savings of 40 offset by 20 increase in the new HRD structure) and other savings derived from the 1HR project (FIN, ICD and ITD).

CAPITAL BUDGET

A. Capital Investment Framework

32. **A review of the Fund's capital investment framework is underway** (Box 6)**.** Discussion of the FY 20-22 capital budget, and related requests for large modernization programs, highlighted the need to reinforce the existing framework. Changes in the size and complexity of capital projects in recent years have already resulted in improved governance for the large projects. In the context of the key modernization projects, a Project Management Office and a Change Management Unit have been established to mitigate design and implementation risks and identify opportunities for project-level (and broader portfolio-level) efficiencies. New procedures are also being adopted, supporting robust design and costing (through business cases and Cost-Benefit Analysis) and supporting strengthened governance and monitoring frameworks, including through independent review for larger projects. OBP (working with ITD and CSF) is updating the investment framework to codify these emerging practices and address evolving needs. A proposed framework will be included in the final FY 21-23 budget paper.

Table 5. Medium-term Capital Budget, FY 20-23

(Millions of U.S. Dollars)

	FY 20	FY 21	FY 21	FY 22	FY 23
	Approved	Projected in FY 20-22 MTB	Proposal	Projection	
Total	**86**	**96**	**96**	**88**	**92**
Building Facilities	**41**	**49**	**40**	**35**	**38**
Of which:					
Lifecycle replacements and repairs 1/	16	32	32	24	21
Of which: Furniture	4	10	14	14	
Audio-Visual	5	6	6	6	6
HQ1	0	14	11	14	9
HQ2					3
New Investments	16	1	1	4	10
HQ Security	5	9			
Information Technology	**45**	**47**	**56**	**52**	**54**
Key Modernization Projects (and pre-reqs) 2/	30	31	31	31	32
New Investments	9	6	15	10	9
Of which : Information Security	3	3	8	5	3
Infrastructure end-of-life 1/	6	10	10	11	13

Sources: Office of Budget and Planning, and departments for Corporate Services and Facilities and Information Technology.

Note: Figures have been recategorized to align with new defined groupings from the forthcoming Capital Investment Framework

1/ Long-term plans to be provided in final budget paper.

2/ Projections for FY 22 - 23 are indicative at this stage and reflect continued focus on modernization.

B. FY 21 Preliminary Capital Budget Proposal

33. **The preliminary capital budget proposal for FY 21 is $96 million**. It covers investment, maintenance, and improvements in the Fund's building facilities, information technology (IT) and other fixed assets. The proposed appropriation for FY 21 is in line with estimates in the FY 20–22 Medium-Term Budget (MTB), albeit with reductions in Facilities projects offset by higher needs in IT capital (Table 5).

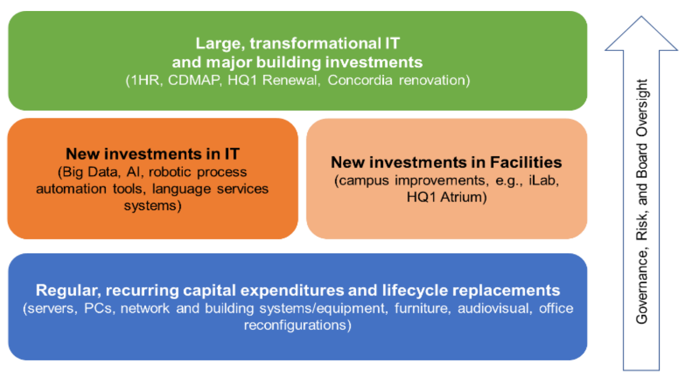
Box 6. Strengthening the Capital Investment Framework

Changes to the Fund's Capital Investment Framework were last discussed with the Board in 2003. The past two decades have seen significant changes to the Facilities and IT landscape, with the organization undertaking large projects such as the HQ1 renewal and, more recently, the transformational IT modernization projects. The objectives of the revised Capital Investment Framework are to: (i) ensure that investment decisions are aligned with strategic priorities; (ii) increase assessment of individual projects as part of an overall enterprise architecture, recognizing interdependencies and avoiding redundancy; (iii) focus on operational risk management; (iii) calibrate governance and procedures to project size and risk; and (iv) improve investment decisions, including consideration of savings capture and recurrent costs.

The revised Capital Investment Framework will be presented to the Board in April 2020. OBP will coordinate ITD and CSF contributions to support harmonization of the planning, approval, governance and reporting for the Fund's capital portfolio.

Progress to date on revising the Governance Framework includes:

- A new taxonomy for capital investments, categorizing projects into Lifecycle Replacements, New Investments, and Large/Transformative Investments. Grouping projects in this way facilitates the calibration of governance and Board engagement to ensure adequate Board oversight of significant investments.



Source: Office of Budget and Planning.

- Strengthened governance for transformational IT projects. This suite of measures includes semi-annual Board reporting, robust project governance frameworks (dedicated project management; senior project sponsors and Director-level inter-departmental project Steering Committees, a new Project Management Office, and a Change Management unit).

- Increased experience in capturing savings from transformation projects in the budget process.

Several further changes are under discussion as part of the new Framework:

- Building on initial PMO-led tools for project investment assessments utilizing a standardized process for ensuring a comprehensive assessment of financial and other relevant considerations (e.g., fit with business strategy, risk mitigation profile, and existing capacity to deliver).

- Strengthening integration of capital decisions in the administrative budget process. In this context, developing a strategy to address the impact of cloud technology investment decisions on the capital and administrative budgets (i.e. expenditures to upgrade on-premise systems traditionally reflected in capital are shifting to the administrative budget as annual, recurring subscription fees).

- Clarification of the interdepartmental governance framework for Facilities-related capital decisions (in line with the Committee on Business and Information Technology).

Facilities Capital

34. **The proposed FY 21 appropriation for facilities capital is $40 million, $9 million lower than the estimate used in the FY 20-22 MTB.** Most of the investment is needed to replace facilities and building systems which have reached end-of-life.

- $32 million to update furniture in HQ1 ($14 million), audio-visual life-cycle replacements ($6 million), and the start of a cycle of replacement of aging HQ1 building equipment and systems ($11 million). The HQ1 replacements (mainly air conditioning chillers and electrical substations) were not included in the HQ1 Renewal project because the original completion date of the renovation was well before the end-of-life of these systems.

- $9 million for smaller projects, including tenant renovation work and establishment of contingency and planning reserves for the facilities portfolio of projects.

- A previously planned project to install bollards around the HQ1 building perimeter has been assessed as no longer needed. Following feasibility assessments and consultation with DC government authorities, it has been determined that the complexity and cost of the project outweigh the added security benefits. The current barriers provide adequate protection in line with U.S. Government standards and the Fund's security objectives.

35. **Projects to improve the headquarters buildings are expected over the medium term.** Current proposals include improvements to the visitor's entrances and the HQ1 auditorium (which will be restored to a large meeting space suitable for townhalls and spring and annual meeting events).

HQ1 Renewal

36. **The HQ1 Renewal project was substantially completed, as expected, in September 2019.** Construction was completed six months ahead of schedule and within budget with projected expenditures through April 2019 of $548 million against a budget of $563 million (see EBAP/19/110—HQ1 Renewal Project—Q2 FY 2020 Quarterly Progress Report). Important project close-out and transition activities remain. Lessons learned were documented in the Q2 FY 2020 Quarterly Progress Report.

IT Capital

37. **The proposed IT capital budget appropriation for FY 21 is $56 million, $10 million more than last year's estimate for FY 21**. Most of the budget will fund continued work on modernization projects and provide funding for other critical systems development and upgrades, such as the Fund's system for member lending activities which has reached end-of-life. The remaining proposed funding will provide resources for information security, and normal lifecycle replacements for IT infrastructure.

- **The large modernization projects will account for roughly $31 million** (Box 7, Table 6)**.** The projects are at various stages: (i) 1HR and CDMAP are in the implementation phase, (ii) KM, which draws together a collection of targeted projects that will support the IDW, is starting work on its final and largest element (replacement of the document management system), and (iii) the Integrated Digital Workplace (IDW) and iDATA are conducting scoping and design work (see EBAP Modernization Project Progress Report). Total estimated costs (where available), budget approvals to-date and expected spending through year-end are shown in Table 6.

Box 7. Key Modernization Projects

The Fund has embarked on a modernization agenda to upgrade internal operations to be more nimble and agile in the face of rapid geopolitical, technological, and demographic shifts, as well as evolving demands from our member countries. A key pillar of this modernization is a portfolio of key transformation programs to improve processes and upgrade aging platforms.

This includes the transformation of the HR system and operating model (1HR), reformed Capacity Development Management and Administration Processes (CDMAP), development of an Integrated Digital Workplace (IDW), a next generation economic data platform (iDATA), and knowledge management (KM) capital projects. The programs provide the opportunity to redesign and streamline work processes and practices to take advantage of automation and other productivity enhancements.

- **1HR** will modernize, simplify, and transform the way the Fund delivers its HR services, through streamlined business practices, best in class cloud software, and enhanced controls, providing flexibility to accommodate future policy, practice or regulatory changes (e.g., HR Strategy and CCBR).
- **CDMAP** will transform CD operations, supporting more efficient and transparent implementation of the CD governance framework. It will address process and systems weaknesses, support better decision-making, and help strengthen the integration with surveillance and lending in line with the CD strategy.
- **IDW** will provide a modern user interface where staff have improved access to knowledge, applications, and other platforms to do their work. The goal is to address the pain points experienced from existing fragmented content, information silos, and obsolete technology.
- **KM** provides a framework for efficiently capturing, storing and sharing knowledge, thereby enabling staff to more easily draw lessons and insights from the Fund's rich cross-country experience and subject-matter expertise. This includes a new document management system and enterprise search systems, as well as underlying work on content classification.
- **iDATA** seeks to mitigate the operational risks stemming from the Fund's current aging data management platform. The project will deliver a modern economic data lifecycle management platform that can be further extended to meet the growing business needs for creating and maintaining databases for multilateral surveillance and economic research.

Table 6. Estimated IT Capital Needs for Key Modernization Projects

(Millions of U.S. dollars)

		FY 20			FY 21	FY 22-23
	Total Estimated Project Cost	Approved in Previous Years (thru FY20)	Estimated Spending at Year End	Remaining estimated approved budget	Additional Projected Needs 2/	
Key Modernization + Prerequisites	**121**	**71**	**53**	**18**	**31**	**19**
Key Modernization	**106**	**58**	**44**	**15**	**28**	**19**
1HR	44	38	25	13	6	-
CDMAP	19	7	7	1	9	2
Knowledge Management	24	8	7	1	8	9
iData	14	2	2	0	4	8
Integrated Digital Workplace 1/	5	4	4	0	1	-
Prerequisites projects 3/	**15**	**13**	**9**	**3**	**3**	**-**

Note: Totals may not add due to rounding.

Source: IT Project Management Office

1/ IDW figures represent the scoping and design work. Project is still in early stages and estimates of total cost and projected needs are not yet available.

2/ Additional projected needs for FY 22-23 do not include projections for IDW which is still in scoping and design phase.

3/ Includes the Identity and Access Management system, Corporate Data Warehouse and cloud development platforms which support the modernization projects.

38. **The governance for key modernization projects allows for significant Board oversight**.

- As part of the established governance of the key modernization projects, 1HR and CDMAP have presented business cases and cost benefit analyses to their respective Steering Committees, the CBIT, and the Board as a requirement to proceed with implementation.[10]

- The KM capital projects replace an aging infrastructure (enterprise search and the document management system), provide an innovative tagging tool, and have delivered an upgrade to KE country pages.[11] All projects except Document Management are under implementation. The Document Management project team has prepared a robust business case and financial plan that has undergone CBIT review. Direct capturable savings have not been assigned to the project, but will be integrated into the iDW project, recognizing that the primary benefits of the specific KM objectives will be qualitative (better information accessibility) and risk mitigation. Staff are working to finalize the Document Management licensing and implementation contracts with the goal of starting implementation at the end of Q1 2020.

[10] 1HR presented CBA in July 2019 as part of an informal Board briefing on the status of key modernization projects and CDMAP presented its CBA in October 2019.

[11] The Knowledge Management strategy and updates have been presented to the Board on March 16, 2018 and May 15, 2019.

- The IDW and iDATA projects are scheduled to submit their proposals during FY 21. Funding in FY 21 will be conditional on development and presentation of a business case and CBA. Should IDW and iDATA get approval to begin implementation work in FY 21 as currently scheduled and resequencing or adjusting existing budget space is not possible, a supplemental capital appropriation may be sought.

- Information security projects will have a total cost of almost $16 million, with about $8 million falling in FY 21. Of this, projects with the specific objective to protect the Crown Jewels are estimated at $10 million, of which about $4 million falls in FY 21. Other security-related projects requesting new or additional funds in FY 21 include replacement and upgrade of the security events logging and monitoring system, cloud migration of the offsite business continuity center and other application controls. These projects are proposed as part of the information security roadmap (Box 8).

- IT infrastructure end-of-life replacements total $10 million for FY 21. In addition to funding upgrades of the remote office infrastructure, network equipment, servers and storage capacity, mobile devices and a portion of the personal computers will also be replaced in FY 21. Medium-term needs are estimated to remain at this level, mainly due to the personal computer refresh schedule. This aligns with the long-term plan for IT infrastructure, which will be further detailed in the final paper.

Box 8. Information Security and the Medium-term Budget

The level of administrative budget resources devoted to Information Security in FY 20 is approximately $10 million. These resources fund (i) the activities of the Information Security Group in the IT department, which include Information security services for IT projects, Fund-wide security awareness program, security compliance program for financial systems, application security program, penetration testing, ongoing independent assurance of security control effectiveness, security risk metrics reporting, and security incident investigations; and (ii) Operational information security services, which include vulnerability management, identity and access management, privileged access management, endpoint security management tools for PCs and mobile devices, network and perimeter security, security monitoring, security event correlation, proactive threat detection and prevention, and security incident response.

Additionally, the capital budget request for FY 21 is $8 million, including $4 million for crown jewels protection projects and another $4 million for security incident monitoring, cloud migration of the business continuity center and other application controls. Capital investments have averaged about $4 million a year since FY 16. These investments were targeted at improving access management, remediation of vulnerabilities, identification of Crown Jewels, and upgrading the security and incident monitoring system.

Often, after the main objectives of the capital project are achieved, there is a recurring administrative expense to maintain the investment. The information security projects in progress or proposed in the medium-term information security roadmap are estimated to result in an administrative budget impact in the range of $4-5 million. An increase of this size, and the resulting administrative impacts from other capital investments, will require careful planning to accommodate under a flat budget constraint.

MEDIUM-TERM BUDGET PROSPECTS

39. **The Fund will continue to look for scope for efficiencies and reallocation to fund new priorities in the future.** This will include finding space for some activities currently funded through transitional resources in the FY 21 budget that may need to become structural in future years (e.g., new field offices which are treated as transitional in the first year of operation). Moreover, some of the new initiatives in the FY 21 budget, such as work on climate change, will likely have to be ramped up further in coming years. Major policy reviews—including the to-be completed CSR and FSAP reviews, and forthcoming reviews (data provision) and IEO evaluations (e.g. capital flows, small states)—are likely to require a rebalancing and may imply an increase of resources over time for these activities.

40. **Pressures will also likely arise from changes in the way capital projects are structured.** Until recently, capital projects—not just at the Fund—implied an upfront investment that was then recouped over time. However, in particular for IT projects, there is a trend towards cloud-based solutions that are based on a subscription fee combined with a lower upfront investment. Conceptually, the subscription fee could be viewed as corresponding to the accrued depreciation in a traditional capital project. However, the Fund budget has so far not reflected depreciation.[12] As a result, all else equal, future capital budgets would be lower as upfront costs are reduced, but administrative needs will be higher given subscription costs. The Fund will need to consider the appropriate treatment of this change in the way capital projects are structured in its real flat budget framework.

41. **Savings from modernization projects will create some budget space** (Figure 9)**.** CCBR savings are projected to accrue over time from the rationalization of some benefits and efficiency gains in managing human resource processes. The scheduled adjustment of the grossing up formula for the staff retirement plan which the Board will discuss in the next financial year is also expected to generate savings as income tax rates in comparator markets have come down since the last review. As these savings materialize, part of them can be used to bolster the Fund's competitiveness, for example through targeted measures to support recruitment of specialized skills and/or from underrepresented regions, higher salary increases at promotion to reward performance and support retention, and increased funding for training. Work is underway to elaborate a framework to support investment in such measures in future budgets. Other modernization projects have yet to develop their cost-benefit analysis and could also generate savings over the medium-term.

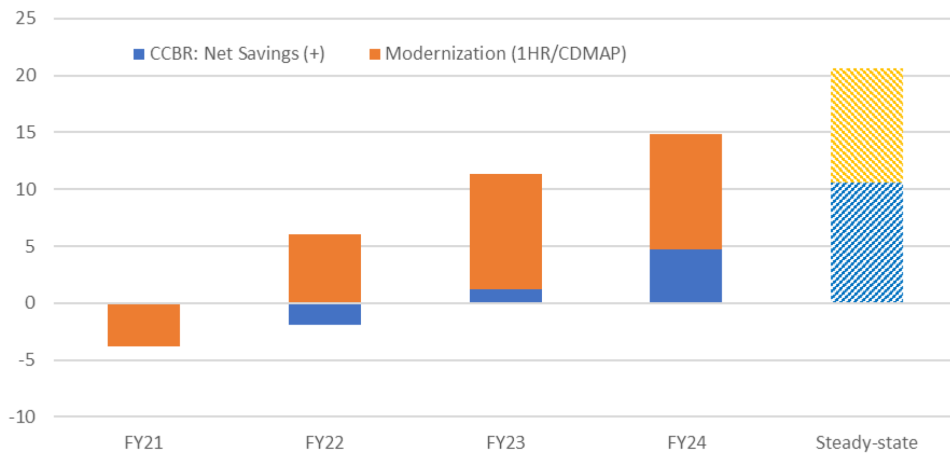
42. **With full budget utilization and continued elevated transitional needs, it is increasingly likely that the existing carry forward will be used.** The next few years represent a transition period as modernization projects are being implemented, many with significant transitional costs. Even though portions of the carry forward have been allocated upfront in past years, it has on aggregate remained intact. This is because drawdowns on carry forward resources in some departments have been offset by underspending in others. Going forward, with the full

[12] Depreciation is reflected in the Fund's quarterly and annual financial statements.

budget utilization we have seen for the past few years, it cannot be ruled out that the carry forward will be used over time, in particular, given that the carry forward will partly be needed to finance the transition costs of the large modernization projects. If and when the carry forward has been used, transitional needs would have to be accommodated within the structural budget envelope. As such, a key consideration for allocating available carry forward balances is to protect against full utilization in a single year and avoid the sharp rebasing of expenditures that this would require in the next budget.

Figure 9. Medium-term Total Resource Savings[1/]

(Millions FY 20 U.S. dollars)



Source: HRD and OBP
1/ Takes into account transitional costs associated with the reforms.

RISKS TO THE BUDGET

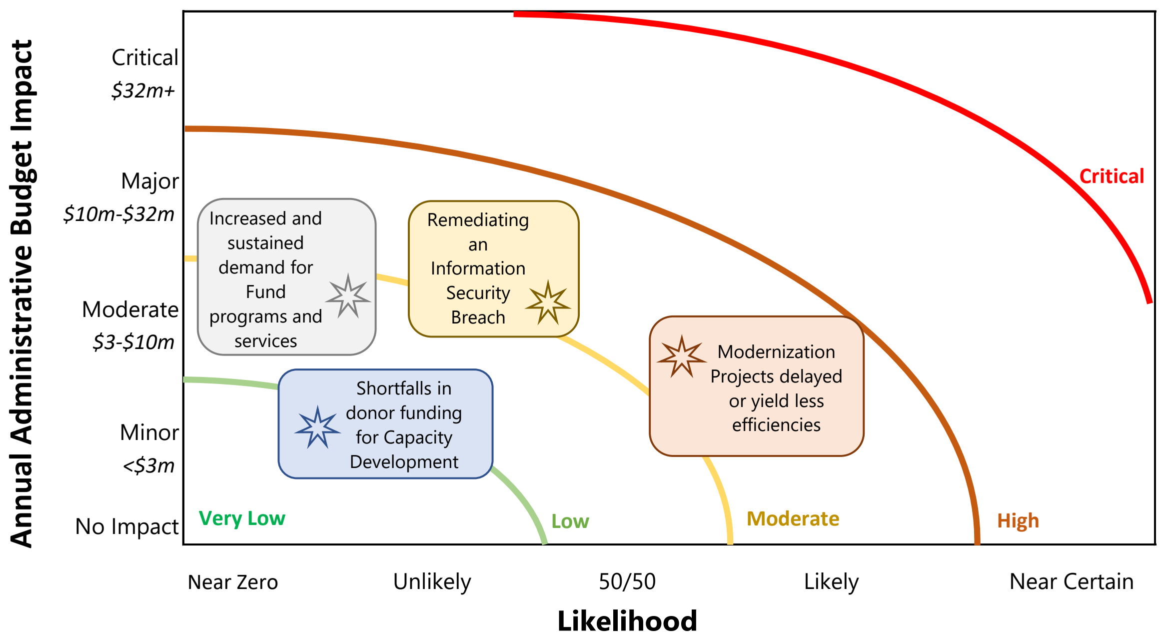
43. **With virtually full budget utilization and increases in the upfront allocation of the carry forward, the Fund's budgetary buffers have been reduced in recent years.** The 2019 Risk Report assessed budget risks as moderate, but above tolerance, given diminished budgetary slack. This highlights the need for strong prioritization processes, and for close budget monitoring and controls. To that end, staff has improved risk analysis and worked on a systematic plan for managing budget risks.

44. **In staff's view, the key budget risks are** (Figure 10 and Box 9):

- *Unanticipated large and sustained demands for Fund programs*. The 2019 Risk Report provided illustrative estimates of the budgetary impact of larger-than-expected demand for Fund programs, with additional resources potentially needed ranging from $9 to $23 million annually under downside scenarios of varying severity. These downside scenarios consider larger numbers of countries simultaneously entering into Fund-supported arrangements relative to the baseline, and the likelihood associated with these scenarios are assessed to be low. In the final paper, staff will update this assessment as needed in light of the outbreak of the coronavirus disease.

- *Information security risks.* An information security breach would trigger costs of investigation, development of new procedures, and the potential sourcing of alternative service providers. These costs correlate to a moderate budgetary impact. The Fund's Information Security Roadmap will reduce the Fund's risk profile to an acceptable level. However, as information security risks evolve and become more sophisticated, investment needs in this area will be periodically reassessed.

Figure 10. FY 21-23 Budget Risks: Impact and Likelihood



Source: Office of Budget and Planning.

Box 9. Classification of Impact of Risks and Mitigating Actions

- Minor Risks (<$3 million): Departments make internal reallocations and trade-offs. As a second line of defense, draw on Fund-wide contingency.
- Moderate Risks ($3–10 million): In addition to internal reallocation and contingency, some interdepartmental reallocations would be made. Departments would work to identify areas of under spending within the year to facilitate reallocation.
- Major Risks ($10–32 million): Should this level of risk materialize, the Fund would request that, in addition to seeking internal tradeoffs from departments, that departments deliver 2 percent of identified contingency measures for reallocation to the affected areas.
- Critical Risks (>$32 million): Risk events with an impact greater than the available carry forward resource pool would require a request to the Board for increased budgetary resources. Such a request would only be made if other efforts to manage budget impact prove insufficient.

- *Delays or not realizing efficiency gains in the modernization projects.* The cost-benefit analysis for 1HR and CDMAP envisage savings of about $10 million. For the other large modernization projects, cost-benefit analysis are forthcoming. A project delay could have a moderate impact because of the number of staff resources involved. Moreover, there are risks that the envisaged savings may not be realized in full. Robust mitigation measures are being incorporated including through rigorous planning, oversight from the Project Management Office and interdepartmental Steering Committees, as well as support from a dedicated Change Management function. At the same time, the modernization projects should result in a significant risk reduction for the Fund over the medium-term, for example of risks associated with outdated legacy systems requiring manual processes.

- *Donor financing risks.* The Fund has improved the management and oversight of donor resources in recent years, reducing the risks association with external funding. Nonetheless, the scale of donor funding poses inherent risks. This budget risk is mitigated by the Fund's up-front financing model for new initiatives, and the nature of externally financed activities. A large proportion of these funds finance contractual experts whose activities can be readily scaled back. Staff therefore considers donor-financing risks to be low impact, low probability. However, e.g., the emergence of the coronavirus disease could impact the Fund's ability to deliver CD and thus the scale of related chargebacks.

45. **There are other risk factors that, while present, are considered to have either low probability or a very limited impact.**

- *Price factors.* The impact of oil prices on travel costs and of increases in subscription prices on commercial data costs remain risks which staff deem to have a more minor impact. As such, the risks have been excluded from the impact/likelihood chart.

- *Risks to the Fund's income position.* Within the medium-term budget horizon, a significant reduction to the Fund's income, exerting pressure on the institution's administrative budget is considered improbable, as highlighted above. However, in a lower-for-longer environment, and assuming non-repayment by large debtors and/or limited uptake of new GRA programs, pressures could arise. These risks are carefully monitored, and a conservative approach to projecting income mitigates these risks and potentially provides lead time to put in place offsetting measures.

- *Risks arising from the Fund's compensation mechanism*: The CCBR has adopted the U.S. CPI as the Fund's external deflator. It is conceivable that wage increases in the Fund's comparator markets exceed the deflator and the space from wage erosion (Appendix VII). This would imply real cuts in non-personnel spending. Funding modalities would be discussed by the Board as part of the budget proposal, consistent with the new compensation framework.

46. **The FY 21-23 budget process enhances the use of risk-based tools as a means of reducing budget risks.**

- *Tracking of funding for key risk mitigation efforts.* Beginning in FY 21, OBP has collated the funding requests submitted by departments which relate to risk mitigation efforts identified in the Risk Report. In the coming year, risk mitigation areas which received incremental funding include work on Core Risk Areas, Key Modernization Projects, improvements to Third Party Risk Management, and changes made to ensure that the benefits of the HR and CCBR reforms were captured.

- *Risk-based assessment of country needs.* Efforts continue to incorporate country-level risk assessments into the budget planning process, particularly a country's vulnerability and the potential impact on Fund engagement.

- *Improvements to the Capital Investment Framework.* Box 6 describes staff's work on the development of an enhanced capital investment framework, intended to manage the risks associated with modernization of the Fund's systems.

Risk Preparedness Matrix (FY 21)

Risk Identified	Driver	Impact Assessment	Mitigation and Management
Unforeseen large demand for Fund programs and other services	Staffing is inadequate for new level of country engagement	Budget and work pressures increase to meet the needs of membership	Initial response: internal reallocation, increased overtime, secondary response: use of contingencies. As last resort, increased funding.
Some portion of donor funding for Capacity Development discontinued	Rollover risk is inherent to donor financing. Overall risk considered low likelihood, low impact	Pressures on CD delivery in short-term, difficulty prioritizing	Planning of fundraising activities and alignment with Fund priorities via the CCB. Absorb costs via reallocation, adjust CD delivery over medium term.
Modernization projects do not yield efficiencies, or, take longer to implement than expected	Fund has insufficient capacity for change management	Resources diverted to implement major projects, lack of realized savings constrain core services	Robust individual project management and governance; establishment of a Change Management unit, ongoing monitoring of business cases and implementation timelines by a corporate Project Management Office.

Appendix I. Key Budget Concepts and Deflator Methodology

***Financial year* (t)**: **May 1(t-1) to April 30(t)**
E.g., FY 20 = May 1, 2019 to April 30, 2020

Administrative budget:
Gross (total spending envelope)
- (minus)
Receipts (donor funding + revenue)
=
Net (spending that needs funding)

Total Available Resources = **Net** + **Carry Forward**

Carry forward:
The right to spend budget allocations beyond the period for which budgetary authority is normally granted (12 months). The amount that can be carried forward (CF) in any given financial year is capped at 3 percent of the net administrative budget for staff, 5 percent for IEO, and 20 percent for OED. The CF can be the minimum of the underspend in the current year or the specified ratio (i.e. x = 3, 5, or 20%) of the current year's approved net administrative budget. Specifically:

$$CF_t = \min(U_t, x\, B_t)$$

Where:
U_t = underspend in current FY ($B_t + CF_{t-1} - E_t$)
B_t = net administrative budget in current FY
CF_{t-1} = carry forward from previous FY
E_t = net expenditures in current FY
x = ratio limit of CF

Global external deflator:
Starting in FY 21, the global external deflator will be the U.S. CPI projection as published in the most recent WEO.

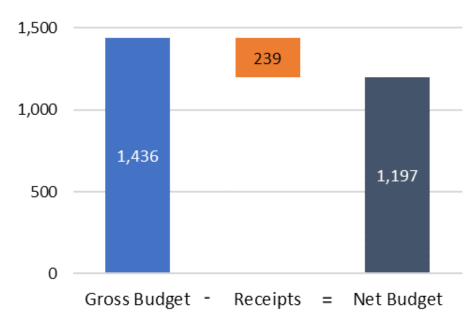
Previously, global external deflator was calculated based on two components:

- Personnel component (70 percent)—Board approved structure adjustment for Fund salaries. It is determined exogenously as the outcome of the Fund's rules-based compensation system endorsed by the Board.
- Non-personnel component (30 percent)—based on an index that reflects most closely the Fund's non-staff related costs (travel, facilities, and IT). This is measured by the projected U.S. CPI in the most recently published World Economic Outlook (WEO).

Capital budget:
Used to finance investments in information technology and building improvements and repairs. Given the long-term nature of these projects, capital budgets are available for a period of three years, after which time unspent appropriations lapse.

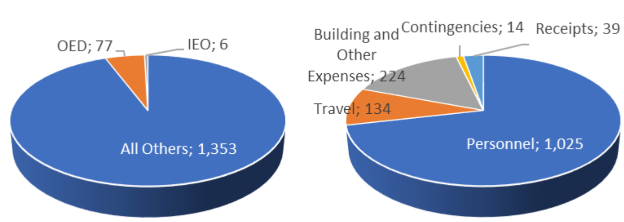
A project is included in the capital budget if it is for:
- the acquisition of building or IT equipment;
- construction, major renovation, or repairs;
- major IT software development or infrastructure projects.

FY 20 Administrative Budget (Millions USD)



Source: Office of Budget and Planning

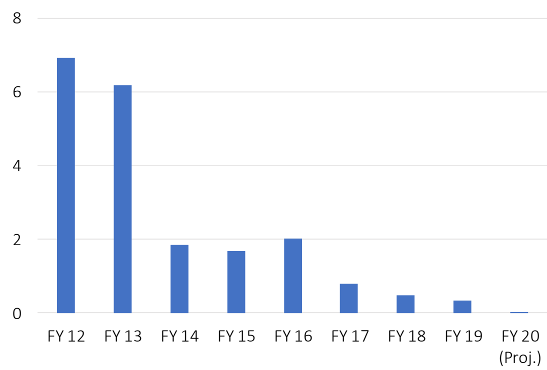
Composition of Gross Spending, FY 20 (Millions USD)
(Including donor financed capacity development)



Appendix II. Projected FY 20 Outturn

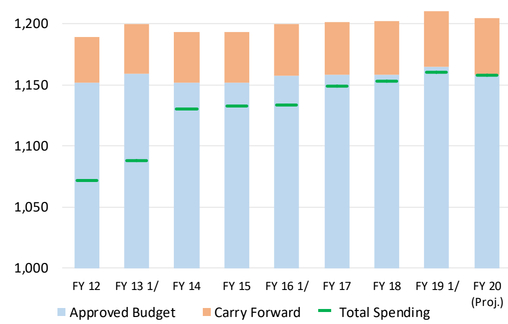
The FY 20 approved structural budget is projected to be fully spent, with carry-forward funds intact and available for short-term needs in FY 21. Budget utilization has steadily increased supported by increased upfront allocation of carry-forward resources to departments in recent years. Better budget utilization has also contributed to improvements in workload indicators.

Net Underspend, FY 12-20
(Percent of budget)



Source: Office and Budget and Planning.
Note: Excludes additional contributions to the RSBIA in FY 12, FY 13, FY 16 and FY 17.

Budget and Carry Forward, FY 12-20
(Millions of U.S. dollars)



Source: Office of Budget and Planning.
Note: Excludes additional contributions to the RSBIA in FY 12, FY 13, FY 16, and FY 17.
1/ Includes travel to Annual Meetings abroad.

A. Spending by Activity

1. **The FY 20 budget provided increased resources for country work, Fund policies and internal support.** Set within a flat structural budget and an upfront allocation of $25 million in transitional funding, the budget aimed to increased country engagement with the membership, including on the enhanced governance framework and macro-financial surveillance, as well as support the various policy and analytical initiatives throughout the Fund (e.g. trade, digital economy, public debt, international taxation). Resources were also provided to carry out the Comprehensive Compensation and Benefit Review (CCBR) and other key modernization initiatives, including 1HR, Digital Workplace, knowledge management, and systems and platform infrastructure improvements. Additionally, the budget reflected reallocation within and across departments of about $33 million (about 3 percent of total spending), including modest savings from departmental efficiencies and central savings, such as holding the travel budget constant in nominal terms.

2. **Relative to estimated structural resources, spending on outputs is expected to be broadly as envisaged with Fund-financed resources projected to shift mainly towards country operations and internal support** (Table 1 and Appendix VI)**.** As envisaged, within country work, there has been a leveling off in budgeted CD spending, although spending on other aspect of *country operations* are projected to increase. Planned spending in area departments suggests a shift from bilateral surveillance to lending as work on intensified programs continue in AFR and WHD. Spending on *internal support* is projected to be higher than budgeted structural resources due to

continued efforts on the modernization projects. Slightly higher spending relative to budget on *multilateral cooperation* reflects increased activities on flagships and general research. Analytical work is seeing an uptick, partly driven by spending on cybersecurity-related projects (e.g. fintech) and monetary and financial policy work. Fund governance is predicted to come lower than budget due to underspend in governance departments (SEC, OED, OMD), although broadly in line with previous year's level.

B. Spending by Inputs

3. **The overall high utilization is reflected in the main budget categories** (Table 2)**.** Spending on personnel and buildings and other services is projected to be higher than the structural budget but can be offset by the projected underspend in travel.[1] At the aggregate, carry forward funds will remain available to meet transitional needs in FY 21. Externally funded activities, symmetrically captured in receipts and expenses, are estimated to end the year above FY 19 outturn ($175 million), and slightly below the established operational target for FY 20.

Table 1. Gross Administrative Fund-Financed Resources: Allocation by Output (direct costs), FY 18–20

(Millions of FY 20 U.S. dollars)

			FY 20	
	FY 18 Outturn	FY 19 Outturn	Estimated Structural Resources	Projected Outturn
Total	**1,197**	**1,201**	**1,197**	**1,190**
Analytical Work	92	93	99	100
Multilateral surveillance	73	69	72	71
Country operations	460	467	466	471
Global Solutions/Multilateral Cooperation	48	47	44	45
Fund policies	36	37	35	36
Fund finances	30	30	29	29
Governance and membership 1/	117	115	119	117
Internal support	310	322	295	306
Miscellaneous 2/	20	21	24	15
Contingency	...	...	14	...
Reconciliation item 3/	9	0	...	...

Source: Office of Budget and Planning, Analytic Costing and Estimation System (ACES). Mapping based on staff estimates.

1/ Governance and membership encompasses work supporting the Board of Governors, the Executive board, Management, and internal functions such as risk management and internal audit; it also covers work on quota and voice.

2/ The "Miscellaneous" classification covers expenditures that currently cannot be allocated to specific outputs within the ACES model.

3/ Reconciliation to gross administrative expenditures as per the Fund's financial system.

[1] A more detailed breakdown of expenditures over the past years is presented in the Statistical Tables, Appendix VIII.

Table 2. Net Administrative Budget: Estimated Outturn, FY 19–20
(Millions of U.S. dollars)

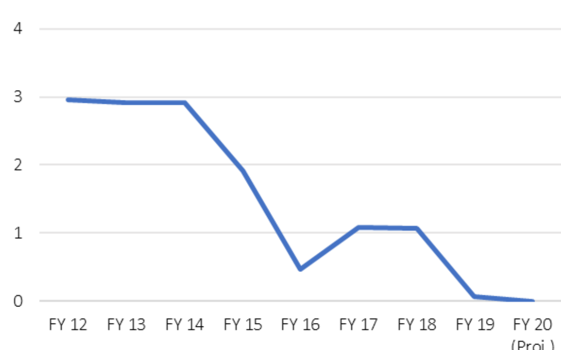
	FY 19		FY 20					
	Budget	Outturn	Budget			Projected outturn		
	Total	Total	Fund-financed	Donor financed	Total	Fund-financed	Donor financed	Total
Gross expenditures	**1,371**	**1,346**	**1,197**	**200**	**1,397**	**1,190**	**191**	**1,382**
Personnel	1,009	995	893	132	1,025	910	127	1,037
Travel	135	126	81	52	134	68	41	109
Of which: Annual Meetings	*6*	*5*						
Buildings and other expenses	215	224	208	15	224	212	24	236
Contingency 1/	12	...	14	0	14	...	...	...
Receipts	-236	-214	-39	-200	-239	-32	-191	-224
Net expenditures	**1,135**	**1,131**	**1,158**	**0**	**1,158**	**1,158**	**0**	**1,158**
Memorandum items:								
Carry forward from previous year	46		47		47			
Total net available resources and spending	1,181	1,131	1,205		1,205	1,158		1,158

Sources: Office of Budget and Planning and PeopleSoft Financials.
Note: Figures may not add to totals due to rounding.
1/ Represents the contingencies for staff, OED and IEO.

Personnel

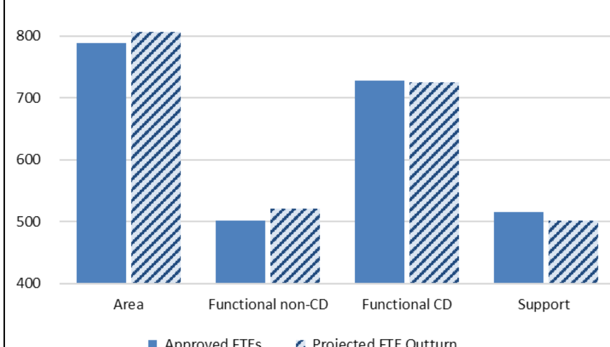
4. **Spending on Fund-financed personnel is projected to slightly exceed the structural budget.** Vacancies have continued to decline and similar to last year, at the aggregate, departments are projected to end FY 21 with an average vacancy rate of zero percent and some usage of transitional positions. Vacancies vary by department type: while area and functional departments are projected to slightly exceed their approved structural FTEs, CD departments are projected to be close to and support departments below structural levels.

Vacancy Rate, FY 12-20
(Percent)



Source: Office of Budget and Planning.
Relative to approved Fund-financed positions.

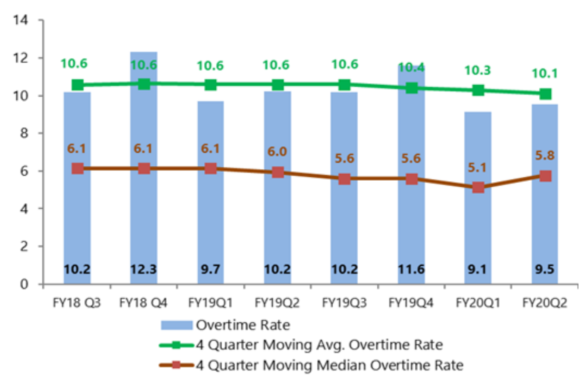
Fund-financed Budgeted Staff Positions vs Projected Outturn, by Department Type, FY 20
(FTEs)



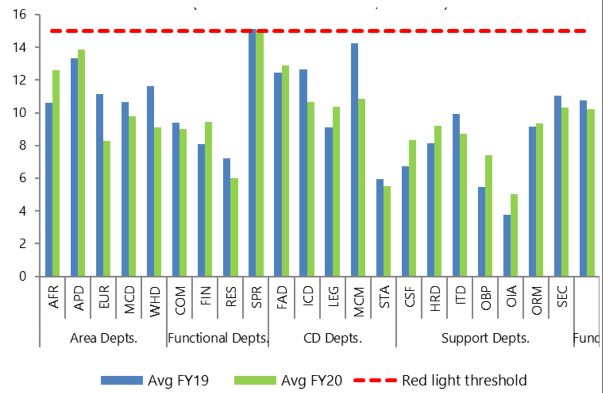
Source: Office of Budget and Planning.

5. **Better budget utilization and increased resources have contributed to improvements in workload indicators.** Fund-wide average overtime rate declines to 10.4 percent, with the median rate trending significantly lower than average rates. Also, the Fund-wide average uncompensated overtime rate (A9 and above) dropped in the first half of FY 20 relative to same period last year.

Average Fund-wide Overtime Rate, Past 2 Years1/
(Staff only; percent)



Uncompensated Overtime Rate, May-December1/
(Staff and Contractuals; Percent)



Source: TRACES and HRPROD.
1/ Data excludes regional offices. Expressed as a percentage of actual hours worked (i.e., regular hours minus leave)

Travel

6. **Utilization of the travel budget is projected to be about 85 percent.** The decline in volume of travel (lower relative to last year and considering the recent health-related concerns and travel restrictions) together with departments' continuous efforts to improve travel management practices is contributing to lower travel spending. The cost per mile for the first eight months of the year is similar to last year, at about $0.38. Airline contracts are being extended, aiming to retain current discounts but with enhancements in regions where carrier mix could be more favorably aligned with the Fund's footprint. Changes are expected to go into effect early FY 21. The travel budget will again be held constant in nominal terms in FY 21.

Travel, FY 19-20
(Fund-financed, millions of U.S. dollars)

	FY 19		FY 20	
	Budget	Outturn	Budget	Proj. Outturn
Total	**87**	**79**	**81**	**68**
Business 1/	72	65	65	54
Seminars/Participants	4	4	4	3
Settlement	9	8	9	9
Miscellaneous travel	2	2	2	2

Source: Office of Budget and Planning.
1/ FY 19 budget includes $6 million for travel to the Annual Meetings in Indonesia.

Average Cost per Mile, FY 13-20
(U.S. dollars)

	FY 13	FY 14 1/	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20 2/
Average cost per mile 3/	0.39	0.41	0.39	0.37	0.36	0.37	0.38	0.38

Source: Corporate Services and Facilities Department.

1/ Costing methodology for cost-per-mile changed beginning with FY 14.
2/ FY 20 cost per mile is based on the first eight months of data (May-December).
3/ Indicator is based on international travel only.

Buildings and Other Expenditures

7. **Spending on buildings and other expenses is projected to be above the structural budget** (Table 3)**.** Most categories (building occupancy, IT, communication and supplies) are projected around budgeted levels. Spending on contractual services, subscription and printing, in aggregate, is similar to last year. In FY 20, there was a structural shift in the treatment in the commercial data subscriptions.

Table 3. Building and Other Expenditures, FY 19–20
(Fund-financed, millions of U.S. dollars)

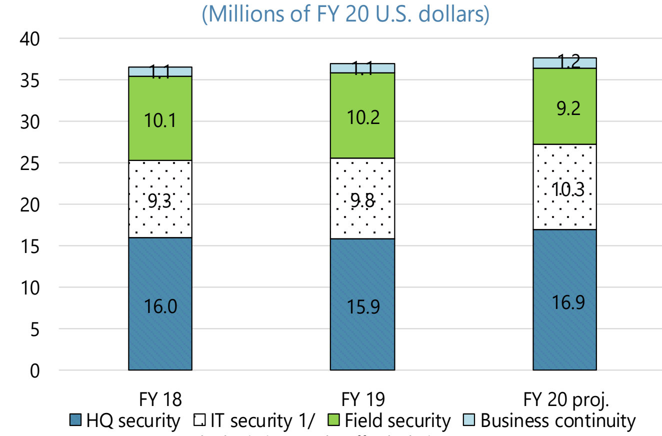
	FY 19		FY 20	
	Budget	Outturn	Budget	Proj. outturn
Total	**205**	**210**	**208**	**212**
Building occupancy	63	65	65	65
Information technology	69	66	70	69
Contractual services	33	35	42	34
Subscriptions and printing	20	21	14	21
Communications	7	7	7	8
Supplies and equipment	4	6	4	5
Other	8	11	7	10

Source: Office of Budget and Planning.
Note: Figures may not add to totals due to rounding.

Security Expenditures

8. **Security spending is projected at about $38 million in FY 20, at similar level in real terms as last year.** As spending for the regular replacement cost of the Fund's armored vehicles fleet (captured under "Field security") is now charged to the capital budget, the decrease reflects mainly a change in recording of expenses (and source of funding). In addition to this change, lower cost related to alterations to field offices and residences resulted in lower spending in ***field*** security. Offsetting this decrease is an increase in ***Headquarters*** (HQ) Security mostly due to the new guard contract agreement, new Emergency Response App (Everbridge) and filling vacancies in the security team. Spending on ***IT security*** is projected to increase by 5 percent mainly for infrastructure vulnerability management support costs due to the increase of vulnerability incidents and tickets and mobile device support cost. Spending on ***Business Continuity*** increased slightly due to a new business continuity tool (Fusion) launched in FY 20.

Security-related Spending, FY 18-20
(Millions of FY 20 U.S. dollars)



Sources: Departmental submissions and staff calculations.
1/ Starting FY 19, recalibration of IT security categories.

Receipts

9. **Receipts from externally financed capacity development activities and Fund-financed operations are expected to end the year near planned levels** (Table 4). Externally funded receipts are projected to grow by about 4 percent (about $191 million) compared with FY 19, just below the target set at $200 million. An overall shortfall in general receipts is projected mainly due to lower sales of publications, reflecting the change to digital and free data. The loss of revenue will be reflected in the FY 21 budget. Parking revenue is still below but expected to pick up as parking spaces previously used for HQ1 Renewal construction storage are becoming available. Measures to increase the revenue from the Concordia will be explored in FY 21 together with setting realistic revenue expectations.

Table 4. Receipts, FY 19-20
(Millions of U.S. dollars)

	FY 19		FY 20	
	Budget	Outturn	Budget	Proj. outturn
Total	**236.0**	**214.7**	**238.9**	**223.6**
Externally financed capacity development (direct cost only)	196.3	178.0	200.0	191.4
General receipts	39.7	36.7	38.9	32.2
Of which:				
Administrative and trust fund management fees 1/	13.7	12.2	14.0	13.4
Publications income	2.6	1.7	2.6	0.5
Fund-sponsored sharing agreements 2/	3.7	2.8	3.8	2.9
HQ2 lease 3/	2.2	2.0	1.3	1.0
Concordia	3.7	3.1	3.7	3.1
Parking	3.2	2.5	3.3	2.9

Source: Office of Budget and Planning.
Note: Figures may not add to totals due to rounding.
1/ Trust fund management fee of 7 percent under the new financing instrument.
2/ Includes reimbursements principally provided by the World Bank for administrative services provided under sharing agreements.
3/ Lease agreement with the World Bank expired. FY 20, includes Credit Union and retail tenants.

C. Capital Investments

10. **Capital spending projections of $104 million are lower than last year, mainly due to the completion of the HQ1 Renewal project, which was completed in September 2019, as scheduled (Table 5).** While the HQ1 Renewal project was winding down, Facilities and IT spending have increased from last year's levels. Projects supporting the HQ1 Renewal completion, such as furniture replacement, tenant renovations, and HQ1 atrium enhancements (relocation of the bistro and acoustical improvements) contributed to the increase in facilities spending. Modernization activities are driving the higher

Table 5. Capital Expenditures, FY 19-20[1/]
(Millions of U.S. dollars)

	FY 19 Spending	Total Funds Available in FY 20	FY 20 Spending (Proj.)
Total	**141**	**196**	**104**
Facilities	29	89	40
Information Technology	31	68	40
HQ1 Renewal	82	39	24

Sources: Office of Budget and Planning, Corporate Services and Facilities, and Information Technology Departments.
1/ Approved capital funding is available for three consecutive years, except for HQ1 Renewal which is available until April 2025.

IT spending, with 1HR implementation in full swing, Capacity Development Management and Administration Program (CDMAP) design and configuration beginning and a number of prerequisite projects underway, such as the new Identity and Access Management system and Corporate Data Warehouse. Per capital appropriations rules (funding available for three years), the unspent balance of approximately $92 million will carry into FY 21.

11. **After projected spending of $104 million, the remaining unspent appropriations from prior years are earmarked largerly for the IT modernization agenda and assets replacements and upgrades.** Remaining funds in the HQ1 Renewal project primarily represent the last of the contingency reserve, which will be kept for some time in order to accommodate any unforeseen closeout activities (see *EBAP/19/110—HQ1 Renewal Project—Q2 FY 2020 Quarterly Progress Report*).

Appendix III. Strategic Budget Information

1. **Reporting on budget planning and execution has become more detailed and output oriented over time. Initially, the budget process focused on the cost of Fund inputs such as personnel or travel.** In F Y11, in response to the IMFC, the Fund introduced a costing model—Analytical Costing and Estimation System, ACES—based on time reporting that allowed reporting by outputs and on shifts between output categories.

2. **The output hierarchy captures five main outputs of the Fund's core work: multilateral and bilateral surveillance, lending, capacity development, and oversight of global systems.** A balance was struck in developing the list of outputs and activities to ensure sufficient precision in data capture, while avoiding excessive complexity and thus compromising data quality. The model has been used extensively for budget planning and reporting on the Fund's core outputs. It has been supplemented with ad hoc surveys for specific activities that do not fall exclusively within one output category.

3. **Budget reporting is evolving to meet demands for more granular information.** OBP has worked with SPR and KMU to develop taxonomies to better capture activities across the Fund in a systematic manner. An initial version of the Fund's Thematic Framework (FTF) was used to present the FY 20 budget and an updated version has been utilized in the FY 21 budget cycle. Looking ahead, OBP will continue its work to refine and broaden the strategic framework for budget reporting in coordination with other departments to better capture cross-sectional or cross-cutting topics, such as debt or climate change, across different activities. This work also links to a related process for strengthened reporting on the Fund's CD activities and facilitate budget risk identification.

Appendix IV. Implementation Status of the FY 19 Streamlining and Modernization Measures

In mid-2018, Management endorsed a broad-based package of measures, focused on implementing more strategic and targeted practices in the Fund's core work, supporting greater traction, and updating support and back-office functions.[1]

- **Surveillance:** In bilateral surveillance, country teams are taking a more focused and selective approach in their coverage of issues and how these are communicated (e.g., between FY 18 and FY 20 (May-December), the average number of chapters per Selected Issues Paper has declined from 3.2 to 2.6, and the average length from 50 to 39 pages. Shorter and more reader-friendly flagships and REOs are enhancing the impact of our multilateral surveillance products. Staff also took steps to "go green," in the area of publications through a more strategic and selective use of print, moving to digital-only versions.

- **Outreach:** An interdepartmental Outreach Strategy Group (OSG) has been formed, composed of Department Heads and chaired by COM, to smooth bunching of planned conferences, merge high-level conferences with similar objectives, and improve the alignment of conferences with institutional goals.

- **Support functions:** Processes and systems for HR, CD administration, data and knowledge management, and to increase accessibility of information across the Fund are being addressed through the large modernization projects (Box 7). Smaller projects have focused on the potential for relocating, outsourcing, and/or automating processes. Robotic process automation (RPA), a technology that allows end-users to automate structured processes, is being piloted in FIN, ICD, and OBP, with a current review to feed into ongoing efforts in other departments.

- **Governance:** One area in which only limited progress has been made is in streamlining the Board Work Program. The target was to reduce the number of policy items to 50 (from a peak of 71 in Fall 2017); the Fall 2019 Board Work Program has 69 policy items.

While initial savings have been realized, substantial investments are needed during the interim period to reap further gains over the medium term. For FY 20, savings of $2.2 million are expected, including from streamlined multilateral surveillance, publications, printing, and SIPs. The FY 21 budget reflects the significant upfront investments in modernization in both staff resources and systems, affecting both the capital and administrative budgets.

[1] "Modernizing and Streamlining Fund Operations—Achieving Further Progress," FO/DIS/18/87.

Appendix V. CCBR—Budget Implications

The budget impact of the CCBR reforms on the FY 21-23 budget is broadly neutral, with some savings beginning to materialize in FY 23. Full savings will only be realized over a longer horizon.

1. **The 2019 CCBR modified some key elements of the Fund's compensation and benefits package.** These include a revision of how the salary increase is calculated, changes to home leave and the education allowance, as well as introduction of new family-friendly benefits, such as a childcare allowance and enhanced parental leave.

Estimated Financial Impact of Principal CCBR Proposals - Steady-State and FY 21-25
(Millions of FY 20 U.S. dollars)

Item	Reform Proposal	Steady-State Annual Savings / (Costs)	Annual Budgetary Impact Compared to Baseline Savings / (Costs)				
			FY 21	FY 22	FY 23	FY 24	FY 25
CCBR Costing: 1/							
Reforms generating savings		**19.1**	**5.4**	**6.6**	**9.7**	**13.3**	**13.9**
Reforms requiring funding		**(8.5)**	**(5.5)**	**(8.5)**	**(8.5)**	**(8.5)**	**(8.5)**
CCBR: Net Savings (+)		**10.5**	**(0.1)**	**(2.0)**	**1.2**	**4.8**	**5.4**
Other Initiatives:							
Measures to support Fund competitiveness	Selective use of: higher starting salaries, hiring bonuses, scarce skills / retention premia; larger increases at promotion; more training and development.	(4.5)	(0.0-4.5)	(0.0-4.5)	(0.0-4.5)	(4.5)	(4.5)
Modernization (1HR/CDMAP)	Estimated savings	10.1	(3.7)	6.0	10.1	10.1	10.1
SRP	Updating of grossing up formulas	10.0		10.0	10.0	10.0	10.0
Other initiatives: Net Savings (+)		**15.6**	**(8.2)-(3.7)**	**11.5-16.0**	**15.6-21.0**	**15.6**	**15.6**
TOTAL: Net Savings (+)		**26.1**	**(8.3)-(3.8)**	**9.5-14.0**	**16.8-21.3**	**20.4**	**21.0**

Sources: HRD and OBP.
1/ Takes into account the delayed implementation dates for certain benefits.

New benefits

2. **Childcare benefit of $12,000 per child up to age 5 for all regular staff and long-term experts, with an effective date of October 1, 2020.** Current expatriate staff will be given the choice of either the childcare allowance or the tertiary education allowance (see below).[1] The annual cost of this benefit is estimated at $7.2 million, assuming some staff will forfeit childcare benefits for future tertiary education benefit. The FY 21 budget assumes $4.2 million reflecting the effective date of October 1, 2020. Actual take up of this benefit will only be known over time.

3. **Merit pay and short-term disability insurance for long-term contractual employees**. Starting in May 1, 2020, contractual employees will receive the same single salary increase as staff. Estimated cost increase is $1.1 million on an annual basis, representing the difference between the

[1] This choice will be given to current expatriate staff who have children under age five and their future children.

salary increase and the U.S. CPI. Short-term disability will have an annual cost increase estimated at $0.2 million.

Changes in existing compensation and benefits

4. **Methodology for compensation (salary) increases**. A new mechanism will calculate a single annual salary increase based on the Fund's comparators. This change in methodology is expected to deliver some savings, given historical patterns of the salary increases of Fund comparators and budgetary space created by wage erosion at the Fund. For FY 21, these savings (together with those related to the impact of the new compensation methodology on the rate of increase of staff benefits) are projected at around $4.5 million. Until the total impact of the CCBR turns positive (expected in FY 23), the savings related to the change in the compensation methodology will be used to help finance the Fund's budget. After that, CCBR-related savings could help finance targeted measures to bolster the Fund's competitiveness such as higher starting salaries for hard-to-fill positions, selective hiring bonuses for EPs and scarce skill.

5. **Home leave and education allowance for expatriates.** Reforms include streamlining the eligibility cycle to 24 months for home leave, thus eliminating the 18-month option, and reducing the incidental allowance from $5,000 for staff member and $2,000 for each eligible dependent to $2,000 for staff and $1,000 per dependent. This change is expected to reduce the cost of home leave in the long run by $4.4 million. For tertiary education, new staff will no longer be eligible for this benefit. The near-term budgetary impact will be small as it will only impact new staff with college-aged children. Over time, there may also be an impact as eligible staff who choose the childcare allowance option would not receive the tertiary education allowance.

6. **Other reforms related to mandatory enrollment for retirees in Medicare Part B, elimination of spouse points, and changes to the installation allowance.** In the medium term, these reforms are expected to reduce costs by up to $1mllion. Full saving from mandatory enrollment of Medicare Part B can only be realized when all Fund retirees have enrolled. The elimination of spouse points is phased in over three years, with savings partially offset by temporary costs before full savings are realized in FY 24. The reform to the appointment/installation allowance will kick in mid-year and is expected to yield full savings in FY 22. For FY 21, the budget assumes a saving of $0.4 million to be reallocated for other priorities.

Appendix VI. Detailed Breakdown of the FY 21 Budget Proposal

This appendix provides further details on the proposed change in resources by Fund Thematic Categories.

Enhanced Engagement with Members

Country Operations

Source: Office of Budget and Planning.

FY 20 Projected

$471 million

Net Structural

Net structural demands for country operations of $4 million.

Demands

New structural resources of $10½ million, including $3.8 million to support work on priority topics (governance, financial surveillance/FSAPs, fragile states, and climate change). The remainder relates to program engagement ($4½ million] and bilateral surveillance ($1.7 milion), including resident representative offices, and support from functional departments (e.g. LEG). A revenue reduction of $0.4 million results from the policy decision to prioritize CD away from high-income countries.

Savings

Savings of $6½ million mainly from some reprofiling of field presence (some shifts in location, also some staffing at lower grades); partially offset by new transitional resources for field presence.

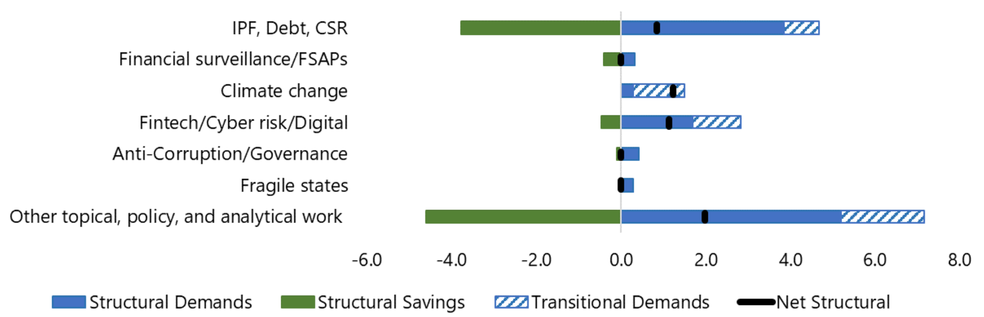
Transitional Needs

Temporary resources of $9.2 million:.

- $3½ million for work in priority areas, mainly on FCS and financial surveillance, and for climate change and anti-corruption/governance work.
- $2.9 million for bilateral surveillance (including systemic country work in EUR, MCD, WHD).
- $2.1 million for activities in support of lending, including field presence (APD, EUR, MCD, WHD). Reflects current outlook for Fund engagement**.**
- $0.9 milion for capacity development, including for the CCAM center coordinator (MCD), Financial Sector Advisor in China (MCM), and implementation of SDG costing (FAD).

Strengthen Analytical Work in Priority Areas

Analytical Work, Multilateral Surveillance and Cooperation, and Fund Policies



Source: Office of Budget and Planning.

FY 20 Projected

$253 million

Net Structural Demands

Net structural demands across these categories is $2½ million.

Structural demands of $12 million for:

- Work in *priority areas* of $3 million, most of which for cyber-related areas (fintech, digital currencies, cybersecurity, and digital economy issues); mostly in MCM, but also LEG and SPR. In *Fund policy work*, review of the enhanced governance framework and continued work on FCS.
- Work on *debt, CSR*. $3.8 million. Primarily for work on debt policy, MAC DSA, follow up to the CSR, arrears policy, safeguards, and the global financial stability net.
- An additional $5¼ million for work on a range of issues, including AML/CFT, LIC matters, inequality and social protection.

Savings

Savings of $9 million arise from the conclusion of reviews whose work will be mainly completed by FY 21 (review of FSAP and PRGT eligibility).

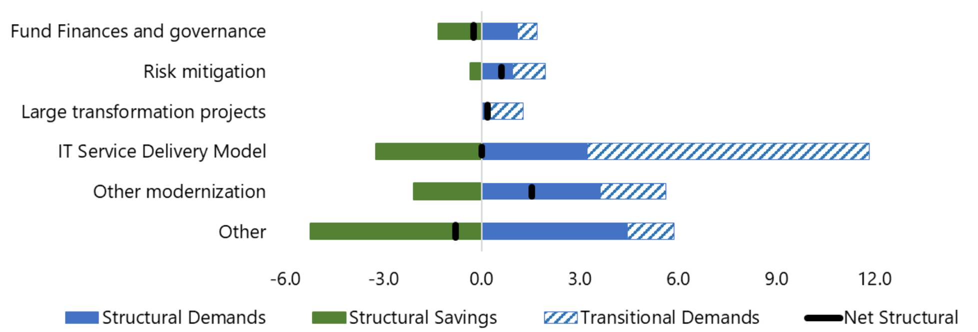
Transitional Needs

Transitional funding of $5.2 million:

- $2.3 million for priority areas, such as climate and cybersecurity.
- $2.8 million for work on the IPF ($0.8 million), support to the G-20 presidencies, gender and strengthening collaboration with the World Bank.

Transitional Spending on Internal Modernization and Risk Management

Fund Finances, Governance, and Internal Support



Source: Office of Budget and Planning.

FY 20 Projected $452 million

Net Structural Demands

Net structural demands of $1.2 million.

Structural demands of $13.4 million:

- *Fund finances and governance*. $1.1 million, including staff work related to IEO evaluations, and Annual and Spring Meetings.
- *Risk mitigation*. While much of the spending on risk mitigation (particularly on information security) falls under the capital budget (see Section F), $1 million in structural resources are proposed for physical and information security, third-party risk management, and copyright issues.
- *IT Service Delivery Model*. ($3.2 million). Tthe planned move to a new IT service delivery model should generate savings over time and help both contain the overall level of IT spending and direct it towards the key priorities.
- *Other modernization*. $3.6 million, mostly from the structural loss in revenue of $2 million as digital publications are made free of charge.
- *Other*. ($4½ million). Activities underlying this category show high reallocations each year related to the revolving work agenda in FIN (e.g. the upcoming review of investment activities). Also included is a reduction in revenue from the sharing agreement with the World Bank on the Joint Library ($0.6 million).

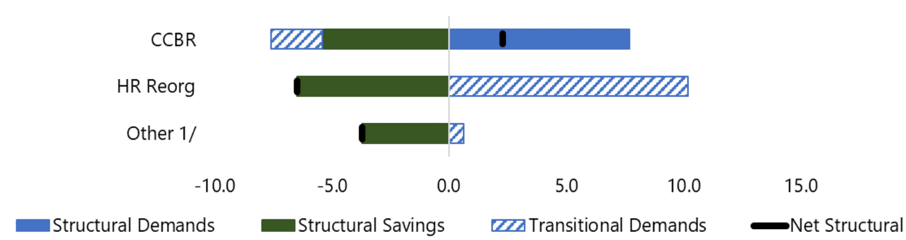
Savings

Savings of $12 million, with a large part coming from yearly reallocations in FIN (e.g completion of the Somalia debt relief and Precautionary Balances Review). Savings also from modernization initiatives (e.g., cessation of print versions of regular statistical publication, completion of CCBR work) and offsets to the IT service model described above.

Transitional Needs $14.7 million, with $8.6 million to support ITD's new service delivery model and the legacy system until iData is completed. For staff supporting the large transformation projects, $1 million; risk mitigation (TPRM, security - $1 million); other modernization initiatives including strengthened change management ($2 million); and other needs such as video wall content and the shortfall in revenue from the Concordia and parking fees collection.

Savings in this area Help fund Other Priorities

Institutional needs



Source: Office of Budget and Planning.
1/ Includes price adjustments in commercial data subscriptions, adjustments related to the CCBR and HR Reorg and savings from holding the travel budget constant.

Net Structural This category encompasses corporate spending and saving for services that are shared across the Fund. Net structural savings of $8.5 million are expected.

Demands Structural resource needs arise from the CCBR implementation (see Appendix VII) in particular from the introduction of the childcare allowance.

Savings Savings arise from the CCBR, HR reorganization, holding the travel budget flat in nominal terms, and other streamlining efforts.

Transitional Needs Transitional funding of $8½ million, mostly related to the shift to the new HR service delivery model. $0.6 million for commercial data (whose pricing increases faster than the CPI). Some transitional savings in FY 21 from the staggered implementation of some CCBR measures.

Appendix VII. Revision of the Global External Deflator and Compensation Methodology

1. In the context of the CCBR, staff proposed a revision of the Fund's budget deflator methodology. Since FY 12, the deflator has been calculated as a weighted average of expected personnel and non-personnel costs.[1]

2. The proposed simplification is to use the WEO projection for the U.S. CPI as the deflator for the prior year's personnel and non-personnel budgets.

3. The annual compensation increase has been composed of (i) a Board-approved structure increase, determined by movements in comparator salaries, and (ii) a merit increase, determined by the amount of budgetary space created by salary erosion (as turnover during the year entails higher-paid staff usually being replaced by lower-paid staff). Under the new compensation system, the Board will approve a single salary increase which is exogenously determined by market-based indicators.[2]

4. Based on historical trends and preliminary analysis of expected pay awards in comparator organizations, in FY 21 the resources needed to finance the annual increase in compensation should be well within the budgetary space available from the increase in the nominal compensation budget by CPI inflation, plus the space available from wage erosion. Remaining budgetary space will be used to finance the new merit increase for long-term contractual employees and other institutional priorities. A paper on the new compensation methodology and the FY 21 proposed single salary increase will be circulated to the Executive Board in March for Board discussion on April 8, 2020.

5. While not expected, it is hypothetically possible that the single salary increase could exceed the available budgetary space (U.S.CPI inflation plus wage erosion). In this situation, savings would need to be found from other sources to finance the shortfall (e.g., future savings stemming from the CCBR and other modernization reforms). A decision on funding modalities would be discussed by the Board as part of the budget proposal, consistent with the new compensation framework.

[1] The deflator is the weighted average of two components: (i) personnel costs—uses the structure adjustment for Fund salaries approved by the Board (weight of 70 percent), and (ii) non-personnel costs—uses the most recent World Economic Outlook projection for U.S. CPI inflation (weight of 30 percent). See also Executive Board paper "FY 2012-FY 2014 Medium-Term Budget" (EBAP/11/27, March 31, 2011).

[2] The annual single salary increase will be based on an indexation formula. The indexation formula will use a weighted average of U.S. public and private indexes, with the public sector weighted at 60 percent and private sector at 40 percent. Within the U.S. public sector, the weights will be further delineated—General Schedule (GS), Office of Personnel Management (OPM), 20 percentage points; Federal Reserve System, 20 percentage points; and FIRREA agencies, 20 percentage points. The source for the private sector component of the formula will continue to be WorldatWork. For additional details, please see Board paper "Comprehensive Compensation and Benefits Review—Refined Proposals" (EBAP/19/88, Supplement 2, dated December 11, 2019).

Appendix VIII. Statistical Tables

Table 1. Administrative Budget, FY 12-20

	FY 12		FY 13		FY 14		FY 15		FY 16		FY 17		FY 18		FY 19		FY 20	
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Proj. Outturn
Personnel	820	799	835	802	861	829	896	862	907	896	934	922	969	962	1,009	995	1,025	1,037
Travel	112	105	125	119	123	117	128	112	130	120	123	115	126	121	135	126	134	109
Buildings and other expenditures	181	178	181	180	190	203	193	204	200	199	205	218	209	226	215	224	224	236
Contingency 1/	11	0	18	0	12	0	7	0	10	0	11	0	11	0	12	0	14	0
Total Gross Expenditures	**1,123**	**1,082**	**1,159**	**1,102**	**1,186**	**1,149**	**1,224**	**1,177**	**1,247**	**1,215**	**1,273**	**1,255**	**1,315**	**1,309**	**1,371**	**1,346**	**1,397**	**1,382**
Less: Receipts	138	135	161	154	179	160	197	167	196	176	200	189	211	211	236	214	239	224
Total Net Expenditures	**985**	**947**	**997**	**948**	**1,007**	**988**	**1,027**	**1,010**	**1,052**	**1,038**	**1,072**	**1,066**	**1,104**	**1,099**	**1,135**	**1,131**	**1,158**	**1,158**
Memorandum item:																		
Carry Forward	*34*		*41*		*42*		*42*		*42*		*43*		*44*		*46*		*47*	

Source: Office of Budget and Planning.
Note: Figures may not add to totals due to rounding. Includes donor financing.
1/ Represents the contingencies for staff, OED and IEO.

Table 2. Gross Administrative Expenditures: Personnel, FY 12-20[1/]

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

Expenditure category	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20 Proj.
Personnel expenses	799	802	829	862	896	922	962	995	1,037
Salaries	471	488	513	534	552	569	603	619	645
Staff, OED, and IEO	370	378	394	410	427	444	465	484	503
Other personnel 2/	101	110	119	124	125	126	138	135	142
Other personnel expenditures	325	310	312	323	339	348	354	371	386
Retirement benefits 3/ 4/	159	143	136	142	155	157	162	168	171
Health benefits	38	39	41	44	44	45	44	47	50
Tax allowances	35	32	36	35	38	39	39	41	41
Home leave	25	26	26	28	28	29	29	31	34
Children's education allowances	21	22	24	26	27	28	29	32	32
Overseas allowances	22	22	21	19	19	19	20	21	22
Training and study allowances	9	10	10	10	10	10	11	11	12
Spouse and child allowances	7	7	7	7	7	7	7	7	7
Other benefits 5/	10	11	11	12	11	14	13	13	17
Other misc. personnel expenditures 6/	4	4	4	5	5	5	5	5	5
Memorandum items:									
Total gross expenditures	1,082	1,102	1,149	1,177	1,215	1,255	1,309	1,364	1,382
Personnel expenses (percent of total)	74	73	72	73	74	74	73	73	75
Salaries (share of total personnel expenses)	59	61	62	62	62	62	63	62	62
Other personnel expenditures (share of pers. exp.)	41	39	38	38	38	38	37	38	38
Total personnel expenses (in FY 20 dollars)	938	941	958	976	991	997	1,010	1,022	1,037
Salaries	552	572	593	604	610	616	633	636	645
Other personnel and other misc. personnel expenditures	386	369	365	371	380	382	377	387	391

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/ Includes donor financing.

3/ Includes the Staff Retirement Plan (SRP), 401K retirement accounts, and Retired Staff Benefits Investment Account (RSBIA).

4/ FY 09-13 and FY 16-17 reflect additional contributions to the RSBIA.

5/ Includes spouse point and emergency travel, life insurance benefits, settlement allowances, and SBF separation incentives.

6/ Includes ICD participants' allowances, and social and welfare expenses.

Table 3. Gross Administrative Expenditures: Travel, FY 12-20

(Millions of U.S. dollars)

	FY 12		FY 13 1/		FY 14		FY 15		FY 16 1/		FY 17		FY 18		FY 19 1/		FY 20	
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Proj. Outturn
Expenditures	**112**	**105**	**125**	**119**	**123**	**117**	**128**	**112**	**130**	**120**	**123**	**115**	**126**	**121**	**135**	**126**	**134**	**109**
Business travel	87	82	98	95	94	91	100	87	104	92	98	88	99	92	111	99	107	85
Transportation	87	48	98	54	94	52	100	48	104	50	98	49	99	52	111	56	107	59
Per diem	...	34	...	41	...	39	...	39	...	42	...	39	...	40	...	43	...	26
Charters	0	0	0	0	0	0				0		0		0		0		0
Seminars & other	14	11	16	13	18	14	17	15	15	17	14	15	15	18	14	18	16	13
Other travel	11	11	11	11	11	12	11	10	12	11	12	11	12	11	10	10	10	10

Source: Office of Budget and Planning.

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

1/ Includes travel to the Annual Meetings in Tokyo ($6 million in FY 13), Lima ($5 million in FY 16), Bali ($6 million in FY 19).

Table 4. Gross Administrative Expenditures: Buildings and Other Expenditures, FY 12-20

(Millions of U.S. dollars)

	FY 12		FY 13		FY 14		FY 15		FY 16		FY 17		FY 18		FY 19		FY 20	
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Proj. Outturn
Buildings and other expenses	**181**	**178**	**181**	**180**	**190**	**203**	**193**	**204**	**200**	**199**	**205**	**218**	**209**	**226**	**215**	**224**	**224**	**236**
Building occupancy	57	56	58	57	58	62	60	61	59	60	59	65	63	68	67	69	70	71
Information technology	43	46	47	47	54	59	57	60	60	59	61	65	65	69	69	66	72	71
Subscriptions and printing	17	17	19	18	20	19	20	20	20	20	19	21	21	22	20	21	14	21
Communications	10	9	10	9	8	9	7	9	7	8	7	8	8	8	8	8	8	8
Supplies and equipment	8	9	7	8	9	8	6	7	8	6	6	6	4	7	4	6	4	5
Miscellaneous 1/	46	41	41	41	42	46	42	47	46	46	52	53	50	52	46	55	57	59

Source: Office of Budget and Planning.

1/ Mainly for contractual services, for example, translation and interpretation services, external audit, as well as other consulting services on business practices and processes.

Table 5. Receipts, FY 12-20

(Millions of U.S. dollars)

	FY 12		FY 13		FY 14		FY 15		FY 16		FY 17		FY 18		FY 19		FY 20	
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Proj. Outturn
Receipts	**138**	**135**	**161**	**154**	**179**	**160**	**197**	**167**	**196**	**176**	**200**	**189**	**211**	**211**	**236**	**214**	**239**	**224**
Externally-financed	107	100	127	118	138	124	154	131	157	142	160	153	172	174	196	178	200	191
General receipts 1/	32	36	34	36	41	36	43	37	39	34	40	35	39	37	40	36	39	33

Source: Office of Budget and Planning.

1/ Includes Trust Fund Management Fees.

Table 6. Net Administrative Expenditures by department/office, FY 12-20[1/]

(Millions of U.S. dollars)

	FY 12		FY 13		FY 14		FY 15		FY 16		FY 17		FY 18		FY 19		FY 20
	Budget 2/	Outturn	Budget 2/	Outturn	Budget 2/	Outturn	Budget 2/	Outturn	Budget 2/	Outturn	Budget 2/	Outturn	Budget 2/	Outturn	Budget 2/	Outturn	Budget 2/
Area	**279**	**270**	**286**	**276**	**292**	**289**	**297**	**293**	**300**	**294**	**291**	**281**	**295**	**292**	**302**	**300**	**312**
African	81	77	82	81	82	82	85	85	86	84	83	79	85	86	89	89	93
Asia and Pacific	40	38	41	37	41	41	42	41	43	43	42	41	43	43	44	44	46
European	67	65	73	71	74	73	74	71	73	70	69	65	69	66	69	68	71
Middle East and Central Asia	47	47	47	45	51	51	51	51	52	51	51	50	51	51	52	52	53
Western Hemisphere	45	44	43	42	45	42	45	45	46	46	45	45	46	46	47	47	49
Functional non-CD	**132**	**127**	**132**	**127**	**141**	**137**	**146**	**143**	**151**	**149**	**157**	**155**	**163**	**161**	**167**	**165**	**169**
Communications	28	26	28	27	34	34	36	36	36	36	37	36	37	37	38	36	39
Finance	30	28	30	29	31	30	32	31	33	33	35	33	36	34	36	35	37
Research	30	29	29	29	30	30	32	31	34	33	34	34	36	35	35	35	36
Strategy, Policy and Review	45	43	44	42	46	44	46	45	48	48	52	52	54	54	58	59	58
Functional CD	**213**	**204**	**212**	**206**	**218**	**211**	**224**	**216**	**225**	**222**	**240**	**235**	**246**	**245**	**260**	**256**	**265**
Fiscal Affairs	50	49	51	50	53	53	54	53	55	53	59	57	61	61	62	62	63
Institute for Capacity Development 3/	27	26	29	28	29	27	31	28	31	31	33	33	34	34	34	34	35
Legal	22	20	22	21	23	24	23	23	24	24	25	25	27	26	28	28	30
Monetary and Capital Markets	73	73	73	72	75	71	77	75	77	76	83	81	84	83	86	85	87
Statistics	38	36	37	35	37	37	38	38	39	38	40	39	41	40	49	46	50
Support/offices	**253**	**244**	**254**	**244**	**269**	**264**	**277**	**267**	**284**	**276**	**294**	**291**	**311**	**305**	**310**	**300**	**315**
Technology and General Services	175	171	175	171	188	186	191	186	83	83	...	...	...	...			
Corporate Services and Facilities	...	...	...	...	...	...	...	...	53	53	91	91	95	95	100	99	102
Information Technology	...	...	...	...	...	...	...	...	49	47	102	102	106	106	107	104	108
Human Resources	28	28	29	27	30	30	32	32	33	32	35	35	36	35	38	38	40
Risk Management	0	0	0	0	0	0	2	1	2	2	2	2	3	2	3	3	3
Secretary's	16	14	17	15	18	17	19	18	21	20	22	22	23	23	23	21	24
Office of Budget and Planning	6	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Office of Internal Audit and Inspection	5	4	5	5	5	4	4	4	4	4	5	5	5	5	5	5	5
Office of the Managing Director	10	10	9	9	10	9	10	9	10	10	10	10	10	10	11	11	11
Other small offices 4/	13	13	14	12	14	13	16	13	26	22	22	19	27	23	17	15	17
Total departments/offices	**877**	**845**	**883**	**853**	**921**	**901**	**943**	**920**	**962**	**941**	**982**	**962**	**1,015**	**1,003**	**1,039**	**1,022**	**1,060**
Others	**83**	**66**	**87**	**68**	**87**	**69**	**87**	**69**	**90**	**72**	**90**	**73**	**93**	**73**	**97**	**75**	**97**
Independent Evaluation Office	6	6	6	5	6	6	6	6	6	6	6	6	7	6	7	6	7
Office of Executive Directors	78	60	81	63	80	63	81	63	84	66	84	67	87	67	91	69	90
Central accounts 5/	58	37	68	28	41	18	38	21	42	26	44	35	40	28	44	37	46
Total	**1,019**	**947**	**1,038**	**948**	**1,049**	**988**	**1,068**	**1010**	**1,094**	**1,038**	**1,116**	**1,070**	**1,148**	**1,104**	**1,181**	**1,134**	**1,205**
of which: Carry forward	*34*		*41*		*42*		*42*		*42*		*43*		*44*		*46*		*47*

Source: Office of Budget and Planning.

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

1/ Working budget. Excludes external financing.

2/ Represents total available resources, i.e., approved budget plus carry forward from previous year.

3/ IMF Institute and Office of Technical Assistance Management were merged in FY 13 to become the Institute for Capacity Development.

4/ Includes training institutes overseas, Administrative Tribunal Office, Secretarial Support, Office for Asia and the Pacific, Office in Europe, the Ombudsman, the Mediator, Ethics, Grievance, Economic Data Team, Investment, HQ1 Task Force, Knowledge Management, Innovation Lab, and the Independent Investigator.

5/ Includes contingencies and resources in centrally administered accounts, e.g., for the resident representative program, HR-related programs, standard cost adjustments.

Table 7. FTE Utilization by Department/Office, FY 12-20[1/]

	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20 Approved Budget
Area	**767**	**772**	**794**	**809**	**798**	**785**	**788**	**799**	**789**
African	209	213	212	219	215	210	221	226	226
Asia and Pacific	109	102	112	113	112	114	114	114	114
European	187	203	206	205	200	188	186	189	180
Middle Eastern and Central Asia	132	128	136	136	137	137	134	137	136
Western Hemisphere	129	126	127	136	134	135	133	133	133
Functional non-CD	**454**	**456**	**464**	**476**	**488**	**507**	**505**	**511**	**502**
Communications	83	85	85	91	91	95	91	87	92
Finance	114	115	118	121	125	126	128	129	130
Strategy, Policy, and Review	163	160	164	164	171	176	174	183	170
Research	94	96	97	99	102	110	112	112	110
Functional CD	**607**	**617**	**632**	**653**	**664**	**693**	**707**	**710**	**728**
Fiscal Affairs	129	133	137	136	136	150	161	160	162
Institute for Capacity Development 2/	82	96	98	108	115	122	123	124	124
Office of Technical Assistance Management 2/	14	…	…	…	…	…	…	…	…
Legal	59	64	68	69	70	73	77	80	84
Monetary and Capital Markets	196	197	196	204	208	219	220	221	222
Statistics	127	128	134	136	135	129	127	126	137
Support/others	**494**	**508**	**514**	**513**	**542**	**553**	**563**	**565**	**585**
Technology and General Services	295	303	297	293	148	…	…	…	…
Corporate Services and Facilities	…	…	…	…	87	160	159	160	163
Information Technology	…	…	…	…	64	148	153	145	153
Human Resources	72	74	78	79	87	90	88	96	91
Office of Budget and Planning	16	17	17	17	18	16	16	17	16
Office of Internal Audit	14	15	15	14	11	11	12	13	16
Office of Risk Management	…	…	…	3	7	7	8	9	10
Secretary's	46	49	53	55	59	57	59	59	68
Office of the Managing Director	23	22	22	21	23	26	25	25	25
Other small offices 3/	28	28	31	31	37	39	43	40	43
Central allocation 4/	22	16	15	16	16	12	11	17	21
Total departments/offices	**2,344**	**2,368**	**2,419**	**2,466**	**2,508**	**2,549**	**2,574**	**2,603**	**2,624**
Others	**250**	**256**	**260**	**260**	**258**	**264**	**262**	**263**	**253**
Independent Evaluation Office	13	13	15	15	14	14	15	15	15
Office of Executive Directors	237	243	245	246	244	250	247	247	238
Grand total	**2,594**	**2,624**	**2,680**	**2,727**	**2,767**	**2,813**	**2,836**	**2,866**	**2,878**

Source: Office of Budget and Planning.
Note: Numbers may not add to totals due to rounding.
1/ Excludes external financing.
2/ IMF Institute and Office of Technical Assistance Management were merged in FY2013 to become the Institute for Capacity Development.
3/ Includes training institutes overseas, Administrative Tribunal Office, Ethics Office, Diversity Office, Secretarial Support, Office for Asia and the Pacific, Office in Europe, the Ombudsman, the Mediator, the Grievance Committee, Economic Data Team, HQ1 Task Force, Investment Office, iLab and Knowledge Management Unit.
4/ Includes HR-related programs

Table 8a. Fund-financed Gross Administrative Spending Estimates by Output (indirect costs allocated), FY 16-20[1/]

	Millions of FY 20 U.S. dollars						Percent of total					
					FY 20						FY 20	
	FY 16	FY 17	FY 18	FY 19	Est. Resources	Proj. Outturn	FY 16	FY 17	FY 18	FY 19	Est. Resources	Proj. Outturn
Total	**1,183**	**1,193**	**1,197**	**1,201**	**1,197**	**1,190**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Multilateral surveillance	**265**	**262**	**273**	**260**	**263**	**263**	**22.4**	**21.9**	**22.8**	**22.0**	**21.9**	**22.1**
Global economic analysis	**130**	**129**	**130**	**125**	**127**	**127**	**11.0**	**10.8**	**10.9**	**10.6**	**10.6**	**10.7**
WEO	19	18	17	17	18	18	1.6	1.5	1.5	1.5	1.5	1.5
GFSR	16	16	17	14	15	15	1.4	1.3	1.4	1.2	1.2	1.3
General research	43	39	38	39	42	42	3.6	3.3	3.2	3.5	3.5	3.5
General outreach	52	57	57	54	53	53	4.4	4.8	4.8	4.4	4.4	4.4
Support and Inputs to Multilateral Forums and Consultations	**24**	**23**	**23**	**24**	**24**	**24**	**2.1**	**2.0**	**1.9**	**2.0**	**2.0**	**2.0**
Multilateral consultations	7	6	5	4	5	5	0.6	0.5	0.5	0.4	0.4	0.4
Support and Inputs to multilateral forums	18	17	18	20	19	19	1.5	1.4	1.5	1.6	1.6	1.6
Tools to prevent and resolve systemic crises	**64**	**68**	**77**	**69**	**66**	**66**	**5.4**	**5.7**	**6.4**	**5.5**	**5.5**	**5.6**
Analysis of vulnerabilities and imbalances	17	18	21	19	19	19	1.5	1.5	1.8	1.6	1.6	1.6
Other cross cutting analysis	42	45	49	44	43	43	3.6	3.8	4.1	3.6	3.6	3.6
Fiscal Monitor	4	5	7	5	4	4	0.3	0.4	0.6	0.4	0.4	0.4
Regional approaches to economic stability	**47**	**41**	**43**	**42**	**46**	**46**	**3.9**	**3.5**	**3.6**	**3.8**	**3.8**	**3.9**
REOs	22	19	20	19	22	22	1.8	1.6	1.6	1.9	1.9	1.9
Surveillance of regional bodies	11	9	8	8	6	6	0.9	0.7	0.6	0.5	0.5	0.5
Other regional projects	14	13	16	15	17	17	1.2	1.1	1.3	1.4	1.4	1.4
Oversight of global systems	**134**	**139**	**142**	**145**	**142**	**148**	**11.3**	**11.6**	**11.9**	**12.4**	**11.9**	**12.4**
Development of international financial architecture	**39**	**43**	**41**	**47**	**53**	**55**	**3.3**	**3.6**	**3.5**	**4.6**	**4.4**	**4.6**
Work with FSB and other international bodies	7	8	7	7	7	7	0.6	0.6	0.6	0.6	0.6	0.6
Other work on monetary, financial, and capital markets issues	32	36	34	40	46	47	2.7	3.0	2.8	4.0	3.8	4.0
Data transparency	**38**	**39**	**42**	**39**	**34**	**35**	**3.2**	**3.3**	**3.5**	**3.0**	**2.8**	**3.0**
Statistical information/data	30	31	33	31	25	26	2.5	2.6	2.8	2.2	2.1	2.2
Statistical manuals	3	2	2	2	2	2	0.2	0.2	0.2	0.2	0.2	0.2
Statistical methodologies	5	6	6	6	7	7	0.4	0.5	0.5	0.6	0.6	0.6
The role of the Fund	**57**	**56**	**59**	**59**	**56**	**58**	**4.8**	**4.7**	**4.9**	**4.8**	**4.6**	**4.8**
Development and review of Fund policies and facilities excl. PRGT and GRA	20	20	26	27	24	25	1.7	1.7	2.2	2.1	2.0	2.1
Development and review of Fund policies and facilities - PRGT	11	13	12	14	15	15	1.0	1.1	1.0	1.3	1.2	1.3
Development and review of Fund policies and facilities - GRA	9	9	9	8	7	7	0.7	0.8	0.8	0.6	0.6	0.6
Quota and voice	7	6	7	7	6	6	0.6	0.5	0.6	0.5	0.5	0.5
SDR issues	10	8	5	4	4	4	0.8	0.7	0.4	0.3	0.3	0.3
Bilateral surveillance	**320**	**333**	**335**	**346**	**330**	**337**	**27.0**	**27.9**	**28.0**	**28.3**	**27.6**	**28.3**
Assessment of economic policies and risks	**282**	**283**	**293**	**301**	**292**	**299**	**23.8**	**23.7**	**24.5**	**25.1**	**24.4**	**25.1**
Article IV consultations	209	209	221	230	225	230	17.7	17.5	18.5	19.3	18.8	19.3
Other bilateral surveillance	72	74	72	71	67	69	6.1	6.2	6.0	5.8	5.6	5.8
Financial soundness evaluations - FSAPs/OFCs	**28**	**40**	**33**	**37**	**32**	**32**	**2.3**	**3.3**	**2.8**	**2.7**	**2.6**	**2.7**
Standards and Codes evaluations	**10**	**10**	**9**	**9**	**6**	**6**	**0.9**	**0.8**	**0.8**	**0.5**	**0.5**	**0.5**
ROSCs	2	2	1	1	0	0	0.1	0.2	0.1	0.0	0.0	0.0
AML/CFT	2	2	2	2	1	1	0.2	0.1	0.2	0.1	0.1	0.1
GDDS/SDDS	7	6	5	6	5	5	0.6	0.5	0.5	0.4	0.4	0.4
Lending (incl. non-financial instruments)	**194**	**179**	**172**	**179**	**185**	**187**	**16.4**	**15.0**	**14.3**	**15.6**	**15.5**	**15.7**
Arrangements supported by Fund resources	**148**	**146**	**149**	**135**	**147**	**149**	**12.5**	**12.3**	**12.4**	**12.4**	**12.3**	**12.5**
Programs and precautionary arrangements supported by general resources	84	77	72	69	81	82	7.1	6.4	6.0	6.9	6.8	6.9
Programs supported by PRGT resources	64	70	76	66	66	67	5.4	5.8	6.4	5.6	5.5	5.6
Non-financial instruments and debt relief 2/	**46**	**33**	**23**	**44**	38	38	**3.9**	**2.8**	**1.9**	**3.2**	**3.2**	**3.2**
Capacity development	**222**	**224**	**242**	**247**	**236**	**239**	**18.8**	**18.8**	**20.2**	**20.3**	**19.7**	**20.1**
Technical assistance	173	176	194	198	189	191	14.6	14.7	16.2	16.3	15.8	16.1
Training	49	48	49	48	47	48	4.2	4.1	4.1	4.1	3.9	4.0
							-	-	-	-	-	-
Miscellaneous 3/	**30**	**29**	**23**	**23**	**27**	**16**	**2.6**	**2.4**	**1.9**	**1.4**	**2.2**	**1.4**
Contingency	...	...	...	...	**14**	...	...	...	...	...	**1.2**	...
Reconciliation item 4/	**18**	**28**	**9**	**0**	...	...	**1.5**	**2.4**	**0.7**	**-**	...	...

Source: Office of Budget and Planning, Analytic Costing and Estimation System (ACES).

1/ Support and governance costs are allocated to outputs.

2/ Includes Post Program Monitoring (PPM), Policy Support Instruments (PSI), Staff Monitored Program (SMP), Near Programs, Ex-Post Assessments (EPA), Multilateral Debt Relief Initiative-I (MDRI-I), MDRI-II, Heavily Indebted Poor Countries (HIPC), Joint Staff Advisory Note (JSAN), Catastrophe Containment Relief Trust (CCRT), and trade integration mechanisms.

3/ The "Miscellaneous" classification includes expenditures that currently cannot be properly allocated to specific outputs within the ACES model. Difference to FTC allocation represents mapping of direct departmental costs to IMF governance.

4/ Reconciliation to gross administrative expenditures as per the Fund's financial system.

Table 8b. Total Gross Administrative Spending Estimates by Output (indirect costs allocated), FY 16-20[1/]

	Millions of FY 20 U.S. dollars						Percent of total					
					FY 20						FY 20	
	FY 16	FY 17	FY 18	FY 19	Estimated Structural Resources	Proj. Outturn	FY 16	FY 17	FY 18	FY19	Estimated Structural Resources	Proj. Outturn
Total	**1,337**	**1,355**	**1,380**	**1,381**	**1,397**	**1,382**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Multilateral surveillance	**265**	**262**	**274**	**260**	**263**	**263**	**19.8**	**19.3**	**19.8**	**18.8**	**18.8**	**19.0**
Global economic analysis	**130**	**129**	**130**	**125**	**127**	**127**	**9.7**	**9.5**	**9.4**	**9.0**	**9.1**	**9.2**
WEO	19	18	17	17	18	18	1.4	1.3	1.3	1.2	1.3	1.3
GFSR	16	16	17	14	15	15	1.2	1.2	1.2	1.0	1.1	1.1
General research	43	39	38	39	42	42	3.2	2.9	2.8	2.8	3.0	3.0
General outreach	52	57	57	54	53	53	3.9	4.2	4.2	3.9	3.8	3.8
Support and Inputs to Multilateral Forums and Consultations	**24**	**24**	**23**	**24**	**24**	**24**	**1.8**	**1.7**	**1.7**	**1.7**	**1.7**	**1.7**
Multilateral consultations	7	6	5	4	5	5	0.5	0.5	0.4	0.3	0.3	0.3
Support and Inputs to multilateral forums	18	17	18	20	19	19	1.3	1.3	1.3	1.4	1.4	1.4
Tools to prevent and resolve systemic crises	**64**	**68**	**77**	**69**	**66**	**66**	**4.8**	**5.0**	**5.6**	**5.0**	**4.7**	**4.8**
Analysis of vulnerabilities and imbalances	17	18	21	19	19	19	1.3	1.3	1.5	1.4	1.4	1.4
Other cross cutting analysis	42	45	49	44	43	43	3.2	3.3	3.6	3.2	3.1	3.1
Fiscal Monitor	4	5	7	5	4	4	0.3	0.4	0.5	0.4	0.3	0.3
Regional approaches to economic stability	**47**	**41**	**43**	**43**	**46**	**46**	**3.5**	**3.0**	**3.1**	**3.1**	**3.3**	**3.3**
REOs	22	19	20	19	22	22	1.6	1.4	1.4	1.4	1.6	1.6
Surveillance of regional bodies	11	9	8	8	6	6	0.8	0.7	0.6	0.6	0.4	0.4
Other regional projects	14	13	16	15	17	17	1.1	1.0	1.1	1.1	1.2	1.2
Oversight of global systems	**134**	**139**	**143**	**146**	**142**	**148**	**10.0**	**10.2**	**10.3**	**10.6**	**10.2**	**10.7**
Development of international financial architecture	**39**	**43**	**41**	**47**	**53**	**55**	**2.9**	**3.2**	**3.0**	**3.4**	**3.8**	**4.0**
Work with FSB and other international bodies	7	8	7	7	7	7	0.5	0.6	0.5	0.5	0.5	0.5
Other work on monetary, financial, and capital markets issues	32	36	34	40	46	47	2.4	2.6	2.5	2.9	3.3	3.4
Data transparency	**38**	**39**	**42**	**39**	**34**	**35**	**2.8**	**2.9**	**3.0**	**2.8**	**2.4**	**2.6**
Statistical information/data	30	31	33	31	25	26	2.2	2.3	2.4	2.2	1.8	1.9
Statistical manuals	3	2	2	2	2	2	0.2	0.2	0.2	0.2	0.1	0.1
Statistical methodologies	5	6	6	6	7	7	0.4	0.4	0.4	0.5	0.5	0.5
The role of the Fund	**57**	**56**	**60**	**59**	**56**	**58**	**4.3**	**4.1**	**4.3**	**4.3**	**4.0**	**4.2**
Development and review of Fund policies and facilities excl. PRGT and GRA	20	20	27	27	25	26	1.5	1.5	1.9	1.9	1.8	1.8
Development and review of Fund policies and facilities - PRGT	11	13	12	14	15	15	0.8	0.9	0.8	1.0	1.1	1.1
Development and review of Fund policies and facilities - GRA	9	9	9	8	7	7	0.6	0.7	0.7	0.6	0.5	0.5
Quota and voice	7	6	7	7	6	6	0.6	0.4	0.5	0.5	0.4	0.4
SDR issues	10	8	5	4	4	4	0.7	0.6	0.4	0.3	0.3	0.3
Bilateral surveillance	**320**	**333**	**336**	**347**	**330**	**337**	**23.9**	**24.6**	**24.3**	**25.1**	**23.6**	**24.4**
Assessment of economic policies and risks	**282**	**283**	**293**	**301**	**292**	**299**	**21.1**	**20.9**	**21.2**	**21.8**	**20.9**	**21.6**
Article IV consultations	209	210	221	230	225	230	15.6	15.5	16.0	16.6	16.1	16.6
Other bilateral surveillance	73	74	72	71	67	69	5.4	5.4	5.2	5.1	4.8	5.0
Financial soundness evaluations - FSAPs/OFCs	**28**	**40**	**33**	**37**	**32**	**32**	**2.1**	**2.9**	**2.4**	**2.7**	**2.3**	**2.3**
Standards and Codes evaluations	**10**	**10**	**9**	**9**	**6**	**6**	**0.8**	**0.7**	**0.7**	**0.6**	**0.4**	**0.4**
ROSCs	2	2	1	1	0	0	0.1	0.2	0.1	0.1	0.0	0.0
AML/CFT	2	2	2	2	1	1	0.1	0.1	0.2	0.2	0.1	0.1
GDDS/SDDS	7	6	5	6	5	5	0.5	0.5	0.4	0.4	0.3	0.3
Lending (incl. non-financial instruments)	**194**	**179**	**172**	**179**	**185**	**187**	**14.5**	**13.2**	**12.4**	**13.0**	**13.2**	**13.6**
Arrangements supported by Fund resources	**148**	**146**	**149**	**135**	**147**	**149**	**11.1**	**10.8**	**10.8**	**9.8**	**10.5**	**10.8**
Programs and precautionary arrangements supported by general resources	84	77	72	69	81	82	6.3	5.7	5.2	5.0	5.8	6.0
Programs supported by PRGT resources	64	70	76	66	66	67	4.8	5.1	5.5	4.8	4.7	4.8
Non-financial instruments and debt relief 2/	**46**	**33**	**23**	**44**	38	38	**3.4**	**2.4**	**1.7**	**3.2**	**2.7**	**2.8**
Capacity development	**365**	**372**	**419**	**422**	**436**	**430**	**27.3**	**27.5**	**30.4**	**30.6**	**31.2**	**31.1**
Technical assistance	305	311	352	354	363	358	22.8	23.0	25.5	25.6	26.0	25.9
Training	60	61	67	68	73	72	4.5	4.5	4.8	4.9	5.3	5.2
							-	-	-	-	-	-
Miscellaneous 3/	**45**	**49**	**29**	**27**	**27**	**16**	**3.4**	**3.6**	**2.1**	**2.0**	**1.9**	**1.2**
Contingency	…	…	…	…	**14**	…	…	…	…	…	**1.0**	…
Reconciliation item 4/	**14**	**21**	**8**	**0**	…	…	**1.1**	**1.5**	**0.6**	**-**	…	…

Source: Office of Budget and Planning, Analytic Costing and Estimation System (ACES).

1/ Support and governance costs are allocated to outputs.

2/ Includes Post Program Monitoring (PPM), Policy Support Instruments (PSI), Staff Monitored Program (SMP), Near Programs, Ex-Post Assessments (EPA), Multilateral Debt Relief Initiative-I (MDRI-I), MDRI-II, Heavily Indebted Poor Countries (HIPC), Joint Staff Advisory Note (JSAN), Catastrophe Containment Relief Trust (CCRT), and trade integration mechanisms.

3/ The "Miscellaneous" classification includes expenditures that currently cannot be properly allocated to specific outputs within the ACES model. Difference to FTC allocation represents mapping of direct departmental costs to IMF governance.

4/ Reconciliation to gross administrative expenditures as per the Fund's financial system.

Table 8c. Fund-financed Gross Administrative Spending Estimates by Output (direct costs), FY 16-20[1/]

	Millions of FY 20 U.S. dollars						Percent of total					
					FY 20						FY 20	
	FY 16	FY 17	FY 18	FY 19	Estimated Structural Resources	Proj. Outturn	FY 16	FY 17	FY 18	FY 19	Estimated Structural Resources	Proj. Outturn
Total	**1,183**	**1,193**	**1,197**	**1,201**	**1,197**	**1,190**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Multilateral surveillance	**176**	**174**	**179**	**172**	**176**	**174**	**14.9**	**14.6**	**15.0**	**14.3**	**14.7**	**14.6**
Global economic analysis	**89**	**89**	**89**	**87**	**89**	**88**	**7.6**	**7.5**	**7.5**	**7.2**	**7.4**	**7.4**
WEO	11	11	11	11	11	11	1.0	0.9	0.9	0.9	0.9	0.9
GFSR	10	10	11	9	10	10	0.8	0.8	0.9	0.8	0.8	0.8
General research	27	24	24	24	27	26	2.3	2.0	2.0	2.2	2.2	2.2
General outreach	41	44	44	42	41	40	3.5	3.7	3.7	3.3	3.4	3.4
Support and Inputs to Multilateral Forums and Consultations	**16**	**15**	**14**	**15**	**15**	**15**	**1.3**	**1.3**	**1.2**	**1.2**	**1.3**	**1.3**
Multilateral consultations	4	4	3	3	3	3	0.4	0.3	0.3	0.2	0.2	0.2
Support and Inputs to multilateral forums	11	11	11	13	12	12	0.9	0.9	0.9	1.0	1.0	1.0
Tools to prevent and resolve systemic crises	**40**	**43**	**48**	**43**	**42**	**42**	**3.4**	**3.6**	**4.0**	**3.4**	**3.5**	**3.5**
Analysis of vulnerabilities and imbalances	11	11	13	12	12	11	0.9	0.9	1.1	0.9	1.0	1.0
Other cross cutting analysis	27	29	31	28	28	27	2.3	2.4	2.6	2.3	2.3	2.3
Fiscal Monitor	2	3	4	3	3	3	0.2	0.2	0.3	0.2	0.2	0.2
Regional approaches to economic stability	**31**	**27**	**28**	**27**	**30**	**30**	**2.6**	**2.2**	**2.3**	**2.4**	**2.5**	**2.5**
REOs	14	13	13	12	15	15	1.2	1.1	1.1	1.2	1.2	1.2
Surveillance of regional bodies	7	6	5	5	4	4	0.6	0.5	0.4	0.3	0.3	0.3
Other regional projects	10	8	10	10	11	11	0.8	0.7	0.9	0.9	0.9	0.9
Oversight of global systems	**88**	**91**	**91**	**93**	**92**	**96**	**7.5**	**7.6**	**7.6**	**7.9**	**7.7**	**8.1**
Development of international financial architecture	**25**	**28**	**27**	**30**	**34**	**36**	**2.1**	**2.3**	**2.2**	**3.0**	**2.9**	**3.0**
Work with FSB and other international bodies	5	5	5	5	5	5	0.4	0.4	0.4	0.4	0.4	0.4
Other work on monetary, financial, and capital markets issues	20	22	22	26	29	31	1.7	1.9	1.8	2.5	2.5	2.6
Data transparency	**24**	**25**	**26**	**24**	**22**	**23**	**2.0**	**2.1**	**2.2**	**1.9**	**1.8**	**1.9**
Statistical information/data	19	20	21	19	16	17	1.6	1.7	1.7	1.4	1.3	1.4
Statistical manuals	2	1	1	1	1	1	0.1	0.1	0.1	0.1	0.1	0.1
Statistical methodologies	3	4	4	4	4	5	0.3	0.3	0.3	0.4	0.4	0.4
The role of the Fund	**39**	**38**	**39**	**39**	**36**	**37**	**3.3**	**3.2**	**3.2**	**3.1**	**3.0**	**3.1**
Development and review of Fund policies and facilities excl. PRGT and GRA	14	14	17	18	15	16	1.2	1.2	1.4	1.3	1.3	1.4
Development and review of Fund policies and facilities - PRGT	7	8	7	8	9	10	0.6	0.7	0.6	0.8	0.8	0.8
Development and review of Fund policies and facilities - GRA	6	6	6	5	4	5	0.5	0.5	0.5	0.4	0.4	0.4
Quota and voice	6	4	5	5	4	4	0.5	0.4	0.4	0.3	0.3	0.3
SDR issues	7	5	3	3	3	3	0.6	0.5	0.3	0.2	0.2	0.2
Bilateral surveillance	**209**	**214**	**215**	**220**	**212**	**216**	**17.6**	**18.0**	**18.0**	**17.9**	**17.7**	**18.2**
Assessment of economic policies and risks	**185**	**183**	**189**	**191**	**189**	**192**	**15.6**	**15.4**	**15.8**	**15.9**	**15.7**	**16.1**
Article IV consultations	138	135	142	146	145	147	11.6	11.3	11.8	12.2	12.1	12.4
Other bilateral surveillance	48	49	47	46	44	45	4.0	4.1	3.9	3.7	3.7	3.7
Financial soundness evaluations - FSAPs/OFCs	**17**	**25**	**21**	**23**	**20**	**20**	**1.4**	**2.1**	**1.7**	**1.7**	**1.7**	**1.7**
Standards and Codes evaluations	**7**	**6**	**6**	**5**	**4**	**4**	**0.6**	**0.5**	**0.5**	**0.3**	**0.3**	**0.3**
ROSCs	1	1	1	0	0	0	0.1	0.1	0.1	0.0	0.0	0.0
AML/CFT	1	1	2	1	1	1	0.1	0.1	0.1	0.1	0.1	0.1
GDDS/SDDS	4	4	3	3	3	3	0.4	0.3	0.3	0.2	0.2	0.3
Lending (incl. non-financial instruments)	**130**	**118**	**113**	**117**	**124**	**125**	**11.0**	**9.9**	**9.4**	**10.2**	**10.4**	**10.5**
Arrangements supported by Fund resources	**99**	**96**	**98**	**88**	**99**	**99**	**8.4**	**8.1**	**8.2**	**8.1**	**8.2**	**8.3**
Programs and precautionary arrangements supported by general resources	56	51	48	46	55	55	4.7	4.3	4.0	4.5	4.6	4.6
Programs supported by PRGT resources	43	45	50	42	44	44	3.6	3.8	4.2	3.6	3.7	3.7
Non-financial instruments and debt relief 2/	**31**	**22**	**15**	**29**	**25**	**25**	**2.6**	**1.8**	**1.2**	**2.1**	**2.1**	**2.1**
Capacity development	**143**	**143**	**145**	**144**	**145**	**145**	**12.1**	**12.0**	**12.1**	**11.9**	**12.1**	**12.2**
Technical assistance	105	107	110	110	111	111	8.9	8.9	9.2	9.2	9.3	9.4
Training	37	36	35	34	34	34	3.2	3.0	2.9	2.8	2.8	2.9
Support and Governance	**389**	**397**	**422**	**432**	**407**	**418**	**32.9**	**33.3**	**35.2**	**36.4**	**34.0**	**35.1**
Miscellaneous 3/	**30**	**29**	**23**	**23**	**27**	**16**	**2.6**	**2.4**	**1.9**	**1.4**	**2.2**	**1.4**
Contingency	…	…	…	…	**14**	…	…	…	…	…	**1.2**	…
Reconciliation item 4/	**18**	**28**	**9**	**0**	…	…	**1.5**	**2.4**	**0.7**	**-**	…	…

Source: Office of Budget and Planning, Analytic Costing and Estimation System (ACES).

1/ Support and governance costs are shown as a separate item.

2/ Includes Post Program Monitoring (PPM), Policy Support Instruments (PSI), Staff Monitored Program (SMP), Near Programs, Ex-Post Assessments (EPA), Multilateral Debt Relief Initiative-I (MDRI-I), MDRI-II, Heavily Indebted Poor Countries (HIPC), Joint Staff Advisory Note (JSAN), Catastrophe Containment Relief Trust (CCRT), and trade integration mechanisms.

3/ The "Miscellaneous" classification includes expenditures that currently cannot be properly allocated to specific outputs within the ACES model. Difference to FTC allocation represents mapping of direct departmental costs to IMF governance.

4/ Reconciliation to gross administrative expenditures as per the Fund's financial system.

Table 9. Capital Expenditures

(Millions of U.S. dollars)

	Formula Key	Facilities	Information Technology	HQ2	HQ1 Renewal	Concordia Renovation	Total Capital
FY 13							
New appropriations	(1)	7.4	34.3	0.0	347.0	0.0	388.7
Total funds available	(2)	21.1	63.2	0.1	427.3	31.6	543.3
Expenditures	(3)	7.4	37.1	0.0	22.0	22.3	88.8
Lapsed funds 1/	(4)	1.4	0.5	0.0	0.0	0.0	1.8
Remaining funds 2/	(5) = (2)-(3)-(4)	12.4	25.6	0.0	405.3	9.3	452.6
FY 14							
New appropriations	(6)	17.4	23.8	0.0	0.0	0.0	41.2
Total funds available	(7) = (5)+(6)	29.8	49.4	0.0	405.3	9.3	493.8
Expenditures	(8)	10.1	36.6	0.0	92.2	4.8	143.8
Lapsed funds 1/	(9)	0.5	0.0	0.0	0.0	3.9	4.4
Remaining funds 2/	(10) = (7)-(8)-(9)	19.2	12.8	0.0	313.1	0.6	345.7
FY 15							
New appropriations	(11)	22.0	29.8		0.0	0.6 3/	52.4
Total funds available	(12) = (10)+(11)	41.2	42.6		313.1	0.6	397.4
Expenditures	(13)	10.5	29.3		95.7	0.3	135.8
Lapsed funds 1/	(14)	0.6	0.3		0.0	0.3	1.2
Remaining funds 2/	(15) = (12)-(13)-(14)	30.1	12.9		217.4	0.0	260.4
FY 16							
New appropriations	(16)	14.4	27.7		132.0 4/		174.1
Total funds available	(17)= (15)+(16)	44.5	40.6		349.4		434.5
Expenditures	(18)	14.6	25.8		90.1		130.5
Lapsed funds 1/	(19)	0.4	0.1		0.0		0.6
Remaining funds 2/	(20) = (17)-(18)-(19)	29.4	14.7		259.2		303.4
FY 17							
New appropriations	(21)	32.5	28.0		0.0		60.5
Total funds available	(22)= (20)+(21)	62.0	42.7		259.2		363.9
Expenditures	(23)	17.9	27.9		76.3		122.1
Lapsed funds 1/	(24)	5.4	0.2		0.0		5.6
Remaining funds 2/	(25) = (22)-(23)-(24)	38.7	14.6		182.9		236.2
FY 18							
New appropriations	(26)	31.4	35.0		0.0		66.4
Total funds available	(27)= (25)+(26)	70.1	49.6		182.9		302.6
Expenditures	(28)	22.3	31.4		62.3		116.0
Lapsed funds 1/	(29)	0.3	0.0		0.0		0.3
Remaining funds	(30) = (27)-(28)-(29)	47.4	18.2		120.6		186.3
FY 19							
New appropriations	(31)	35.5	35.9		0.0		71.4
Total funds available	(32)= (30)+(31)	82.8	54.1		120.6		257.5
Expenditures	(33)	28.7	30.9		81.6		141.2
Lapsed funds 1/	(34)	5.9	0.0		0.0		5.9
Remaining funds 2/	(35) = (32)-(33)-(34)	48.1	23.2		39.0		110.4

Sources: Office of Budget and Planning and Corporate Services and Facilities Department and Information Technology Department.

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

1/ Figures reflect funds that were not spent within the three-year appropriation period; e.g., FY 17 appropriated but unspent funds lapsed at the end of FY 19.

2/ Figures reflect the unspent amount of the budget appropriation in the period concerned. Those funds can be used for authorized projects in the period covered by the appropriation.

3/ Unspent Concordia funds appropriated in FY 12 expired at the end of FY 14 with the exception of $0.6 million that was specifically reappropriated for FY 15 to complete the remaining work under the project.

4/ Additional appropriations were approved for the HQ1 Renewal Program during FY 16.