Annex I. Key Budget Concepts and Overview of the Fund's Budget Process

***Financial year* (t):** **May 1(t-1) to April 30(t)**
E.g., FY 22 = May 1, 2021 to April 30, 2022

***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). Carry forward (CF) limits are set for the IEO, OED, and at the general level for other administrative expenses. The general CF limit has varied over time, rising to 6 percent following the GFC and reverting to 3 percent in FY 12. In 2020, the Board approved an increase in the general CF limit from 3 to 5 percent and IEO's CF limit from 5 to 8 percent for the following three years in response to COVID-related travel restrictions and emerging crisis needs. In line with the streamlining of OED central budget accounts, in 2020 OED's central carry forward has been discontinued and the CF limit set at a maximum of 20 percent (or two FTE advisors for each of the offices). The CF is the minimum of the underspend in the current year or CF limit of the current year's approved net administrative budget. Specifically:

$\mathbf{CF_t = min\ (U_t,\ \mathit{x}\ B_t)}$

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 is the U.S. CPI projection as published in the most recent WEO which is the January WEO Update (see Annex II of the FY 2021–FY 2023 Medium-Term Budget for the revision of the global external deflator).

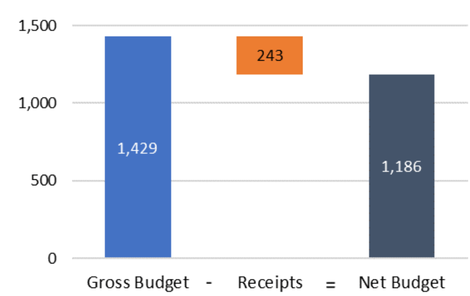
***Capital budget*:**

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.

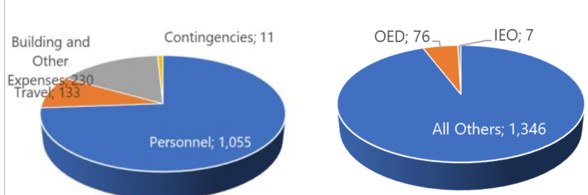
A project is included in the capital budget if it is for:

- the acquisition of building or IT equipment;
- construction, major renovation, or repairs;
- major IT software development or infrastructure projects.

FY 21 Administrative Budget
(Millions USD)



Composition of Gross Spending, FY 21 (Millions USD)
(Including donor financed capacity development)



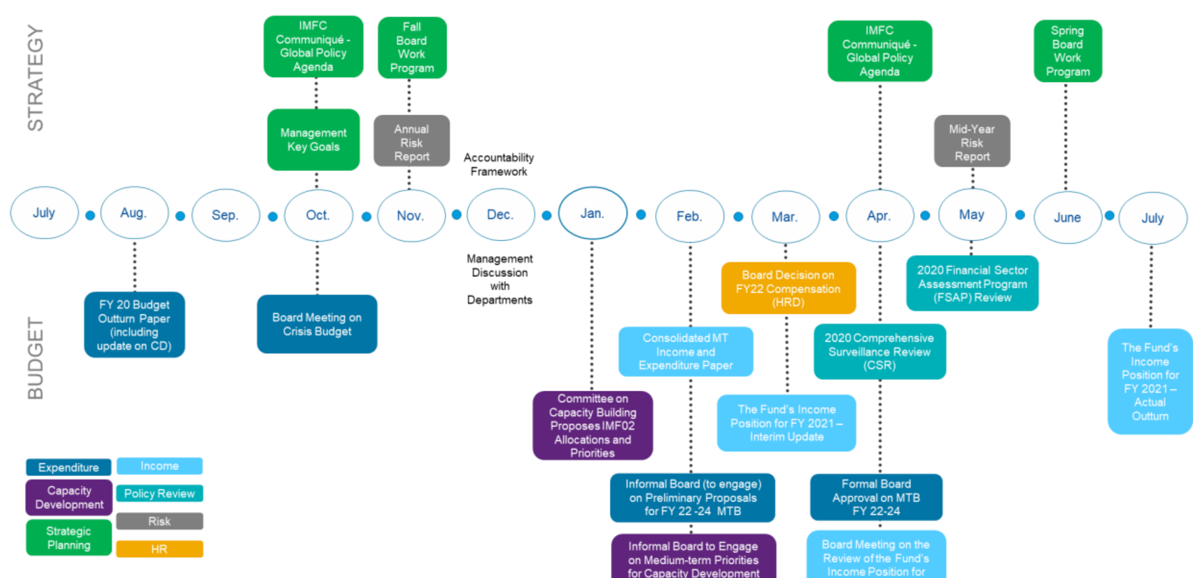
Annex II. Overview of the Fund's Budget Process

1. **The budget process is part of a broader planning framework incorporating activities on strategic prioritization, risk management, policy reviews 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.

2. **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.

3. **In parallel, the Board reviews the income and expenditure position, staff compensation, and the capital budget.** Since FY 21 the 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. New priorities are often initially accommodated through transitional resources and absorbed into structural resources in subsequent years. This approach allows new priorities to be absorbed into the structural base over time, as savings in other areas create room.

Figure 1. Strategic Planning Cycle



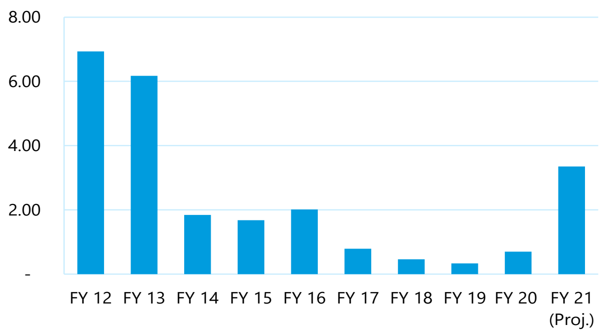
Source: Office of Budget and Planning.

Annex III. Projected FY 21 Outturn

Addressing the crisis while rebuilding a more resilient global economy has required a quick shift in core priorities of Fund's work. This has generated new demands on staff and additional resource needs in FY 21. The impact of the crisis on the budget has, however, been offset by extensive reprioritization efforts and one-off savings.

Net Underspend, FY 12-21

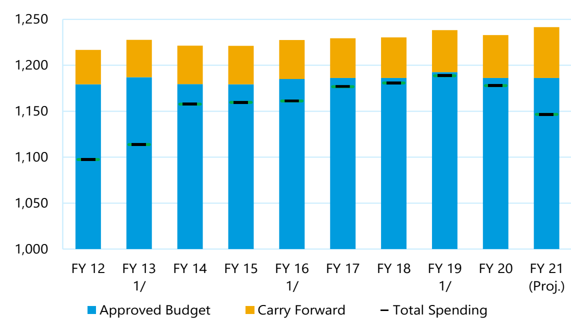
(percent, relative to Fund-financed approved budget)



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 12-21

(Millions of FY 21 U.S. dollars)



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

1. **The FY 21 budget responded to the evolving crisis needs, in the context of exceptionally high uncertainty**. The Fund had to respond to unprecedented demand for emergency financing, analytical and policy work on crisis issues, and measures to keep staff safe and set up an effective work-from-home environment while ensuring that the Fund's HQ buildings were ready for business. As anticipated in the FY 21–23 budget, the crisis response required swift redirecting of resources and bringing in additional staff to allow the Fund to respond to the membership's needs. The immediate impact was a large spike in overtime and contraction in leave usage (see Figure 2 in the main text), in particular in the frontline departments.

2. **Against this backdrop, departments carried out a reprioritization exercise and identified additional crisis needs.** This exercise identified gross crisis needs of $112 million in FY 21. At the same time, departments also identified $43 million in reprioritization and related savings, offsetting about 40 percent of the gross needs. These Fund-wide reprioritization and savings resulted from shifting resources to address immediate crisis needs while delaying or canceling lower priority work. The remaining net needs of $69 million—including 128 additional positions—have been covered through the repurposing of travel and events resources, maintenance of buffers smaller than originally planned, and higher prospects of using the carry forward. The Board had increased the carry forward ceiling in the FY 22–24 budget to make the crisis-related underspend from FY 20 available in FY 21.

3. **Net crisis needs allocation mostly focused on direct country support**. 128 positions were created to meet crisis demands. 74 positions are for direct country support in area departments and functional departments that provide economists to country teams (FAD, MCM, SPR). 42 positions were dedicated to reviewing country documents (mainly emergency financing requests) and policy and analytical work on crisis issues. Another 10 positions were created in SEC and small offices to meet crisis-related work pressures, and 2 positions were created to support enterprise risk management. These crisis positions were allocated to departments in October, and hiring is under way. However, not all positions are expected to be filled by the end of the financial year.

4. **Externally financed spending is projected to fall in FY 21, reflecting the inability to travel and absorption constraints, notwithstanding the rapid adaption in the focus and delivery**. Externally financed CD spending is projected to fall by about 20 percent to $133 million, or 65 percent of budget. As reported to the Board in the supplement to the FY 21-23 budget, lower expenditure has led to a shortfall in trust fund management fees. Chargebacks will fall below budget, but to a lesser degree than earlier anticipated. The expected impact on the Fund-financed budget of both effects is around $9 million, or $5 million from lower trust fund management fees and $4 million from lower chargebacks. Over time, these issues are expected to be resolved with the return to travel.

5. **Preliminary estimates of FY 21 outturn suggest significant underspend, albeit with risks in both directions**. Most departments project that they will remain within their budget envelope, including crisis resources. A few departments project an overspend, albeit with ongoing efforts to align spending with budget. The underspending largely reflects the pace of hiring for crisis positions and the remaining budget allocation for travel.[1] Corporate and IT services, building maintenance, and the virtual Annual Meetings also contributed to the underspending.

A. Projected Spending by Fund Output Category

6. **In the first half of FY 21, work shifted towards lending and multilateral surveillance and away from bilateral surveillance and CD delivery.** Departments have quickly responded to the crisis by curtailing the regular Article IV cycle for many countries, canceling or postponing workshops and conferences, and delaying and streamlining medium-term analytical work. The Fund has also temporarily delayed some FSAPs and redirected these resources to provide additional direct country support. Bilateral surveillance has gradually resumed in the second half of the fiscal year. Externally financed CD spending was 21 percent lower due to the impact of COVID-19 to CD delivery.

7. **The June 2020 crisis Board Work Program reflected the changes necessary to swiftly adapt to the crisis needs.** Medium-term analytical work, including a discussion note on the Sustainable Development Goals (SDGs), were put on hold. The CSR and FSAP Review, and the review

[1] Given the uncertainty of when travel will resume, HR-related travel needs, and select essential mission travel, only 5 percent of the travel budget was allocated to cover crisis needs. In the event, with the overall travel ban remaining in place until the end of the financial year, most of these precautionary travel resources were not used.

of the transparency policy have been delayed, along with the safeguards assessment review; guidance notes on conditionality; social spending; pension issues; and multiple currency practices. The implementation of the upgrade of the core banking system was also delayed. Annual and Spring Meetings were moved to a virtual format.

B. Projected Spending by Input

8. **Expected aggregate under execution of about 3 percent is mostly driven by lower spending in non-personnel budget categories (Table 1).** While personnel spending is projected to be higher than the structural budget, it will remain within the total personnel envelope which includes the 128 crisis positions—equivalent to 90 FTEs. Ongoing travel restrictions and extended WFH arrangements during the pandemic have affected utilization in the categories of travel, building operations and other discretionary spending. Receipts, including those received from delivering externally funded CD activities, are expected to be about 23 percent lower than FY 20 levels ($199 million), reflecting reduced CD activities during the pandemic. At the aggregate, carry forward funds will remain available to meet most transitional and some crisis needs in FY 22.

Table 1. Net Administrative Budget: Estimated Outturn, FY 20-21

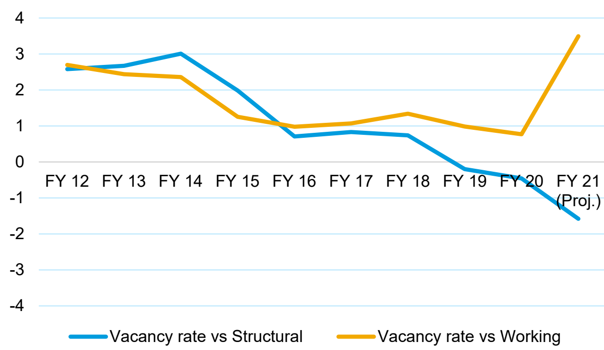
(Millions of U.S. dollars)

	FY 20		FY 21					
	Budget	Outturn	Budget			Projected outturn		
	Total	Total	Fund-financed	Donor financed	Total	Fund-financed	Donor financed	Total
Gross expenditures	**1,397**	**1,350**	**1,223**	**206**	**1,429**	**1,167**	**133**	**1,301**
Personnel	1,025	1,028	920	136	1,055	955	114	1,069
Travel	134	97	81	52	133	15	5	20
Of which: Annual Meetings								
Buildings and other expenses	224	225	212	18	230	198	14	212
Contingency 1/	15	...	11	0	11	...		...
Receipts	-239	-199	-37	-206	-243	-21	-133	-154
Net expenditures	**1,158**	**1,150**	**1,186**	**0**	**1,186**	**1,147**	**0**	**1,147**
Memorandum items:								
Carry forward from previous year	47		55		55			
Total net available resources and spending	1,205	1,150	1,241		1,241	1,147		1,147

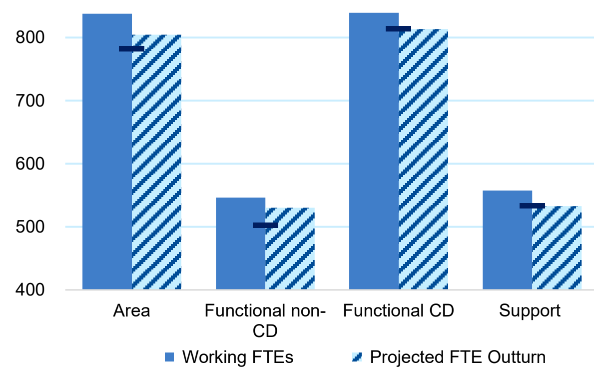
Sources: Office of Budget and Planning and PeopleSoft Financials
Note: Figures may not add to totals due to rounding
1/ Represents the contingencies for staff, OED and IEO

9. **Personnel spending is projected to exceed the structural budget.** The overage reflects additional crisis resources and will be covered by resources available through savings from continued reduced travel and an increased carry forward allocation. The vacancy rate, relative to end-March working budget, is higher due to expected lags in ramping up crisis-related hiring. While vacancies vary by department type, in aggregate, departments are expected to remain within their total available FTEs.

Vacancy Rate, FY 12-21
(percent, relative to total FTEs)



Total Budgeted Staff Positions vs Projected Outturn by Department Type, FY 21
(FTEs, Fund and Donor Financed)



Source: Office of Budget and Planning.

10. **With travel restrictions and the shift to virtual events, $53 million were repurposed to finance new spending.** Departmental travel budgets were reduced by almost 95 percent during FY 21, and 15 percent of the overall travel budget was held centrally in case travel could have resumed in the second half of the year. Virtual Annual Meetings are also contributing to overall savings, while providing new ideas for increased virtual events in the future.

11. **Spending on building operations and other expenditures is projected to be below the structural budget by about $14 million (Table 2).** A shift to WFH arrangements, which began during the last quarter of FY 20, continues to affect spending in FY 21. Continued lower building occupancy is expected to decrease spending by $2 million, mostly due to reduced costs for utilities. An underspend of $3 million is also projected for IT services, due to a change in vendor services, while support to staff for IT equipment to WFH will slightly offset the decrease in IT spending. Spending on contractual services, also well within the approved budget allocation, has been affected by the virtual format of the Annual and Spring Meetings. The projected outturn of other cost categories is broadly in line with the budget.

Table 2. Building and Other Expenditures, FY 20-21
(Millions of U.S. dollars, Fund-financed)

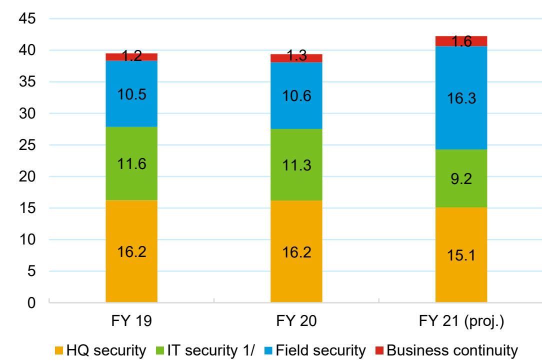
	FY 20		FY 21	
	Budget	Outturn	Budget	Proj. outturn
Total	**208**	**211**	**212**	**198**
Building occupancy	65	64	67	65
Information technology	70	65	71	68
Contractual services	42	38	34	31
Subscriptions and printing	14	20	20	18
Communications	7	7	8	7
Supplies and equipment	4	5	3	3
Other	7	11	8	5

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

12. **Security spending is projected at about $42 million in FY 21**—an uptick in spending of about $3 million from last year (see text Figure). Higher spending for field security is driven by evacuations, in-country security needs in High Risk Locations (HRL) and heightened international security surveillance. Business Continuity has also seen a marginal increase reflecting demands due to COVID-19. These increases were offset by reduced security needs at HQ and lower IT security costs due to vacancy lags and reductions in security monitoring and licensing costs that are expected to return to historical levels next year.

Security Spending, FY 19-21

(Millions of FY 21 U.S. dollars)



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

13. **Receipts are projected to come in at about $90 million below budget, largely driven by the drop in externally financed activities.** A decrease of over 20 percent in receipts from externally financed CD activities, relative to FY 20 levels ($133 million), is expected in FY 21. With the travel ban and demands from recipient countries, externally financed CD has lagged past levels and pre-crisis budget expectations. CD departments and OBP are closely monitoring CD delivery and assessing options to minimize the projected shortfalls in trust fund management fees and chargebacks. FY 21 will see revenue losses also from suspended parking fees at headquarters, rent forgiveness for the retail tenant and sharply lower utilization of the Concordia hotel due to suspension of travel. To mitigate the impact on the latter, the Fund has introduced a policy requiring staff traveling to Washington D.C. to utilize the Concordia, in order to maximize its utilization and ensure that Fund's facilities are used in the most cost-effective manner.

Table 3. Receipts FY 20-21

(Millions of U.S. dollars)

	FY 20	FY 21	
	Outturn	Budget	Proj. outturn
Total	**204.3**	**242.8**	**154.2**
Externally financed capacity development (direct cost only)	168.1	205.8	133.2
General receipts	36.2	37.0	21.0
Of which:			
Administrative and trust fund management fees 1/	11.8	14.4	9.3
Publications income	0.8	2.7	0.1
Fund-sponsored sharing agreements 2/	2.3	3.5	2.4
HQ2 lease 3/	2.3	1.3	0.5
Concordia	2.8	3.8	0.5
Parking	2.6	3.4	0.1
Corporate, Travel and P-cards rebates/bonuses	1.3	0.4	0.2

Source: Office of Budget and Planning
1/ Trust fund management fee of 7 percent under the new financing instrument.
2/ Includes reimbursement 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.

Annex IV. Selected Policy Reviews and Evaluations in CY 20–21[1]

	Title	**How Resource Implications Have Been Addressed**
Surveillance	Comprehensive Surveillance Review	The formal review is scheduled for April 2021 (see references in paragraphs 4, 9, 12 and 16 in the main text). Following a Board decision, staff would prepare a guidance note that fleshes out modalities but this would likely take time. With most of the cost implications arising once the guidance note is in place, the cost implications would impact FY 23 budget.
	FSAP Review	The formal review is scheduled for May 2021 (see references in paragraphs 4, 9, 12, and 16 in the main text). Most proposals will likely be absorbed within the continuous work on developing and disseminating FSAP's tools and technical guidance notes. A more substantial ramping up of macrofinancial work and work on climate risk analysis and on digital payments systems would be included in the proposed structural budget augmentation.
	Toward an Integrated Policy Framework	Budget impact has been reflected in FY 22 departmental demands (see paragraphs 9, 40, 43 and 46 in main text). In principle, Staff remains guided by the Fund's Institutional View (IV) on the Liberalization and Management of Capital Flows. Changes to that policy framework, including use of the IPF's findings, will be considered during the forthcoming review of the IV (Summing Up, last paragraph). Additional budgetary impact to be determined; would be considered in the FY 23 budget.

[1] Selected Reviews and Evaluations during the period January 1, 2020 to June 30, 2021. See Fall 2020 Board Work Program Follow up (FO/DIS/20/242, (12/23/2020)) and Board Work Program Implementation Update.

	Title	How Resource Implications Have Been Addressed (cont'd)
	Integrated Policy Framework—Update on Operationalization and Analytical Work	Informal brief scheduled for May 2021.
	Independent Evaluation Office—IMF Advice on Capital Flows	Changes to the policy framework, including use of this IEO's Evaluation, will be considered during the forthcoming review of the IV. (Summing Up, last paragraph). Budgetary impact to be determined; would be considered in the FY 23 budget.
	Review of Debt Sustainability Framework for Market Access Countries	Proposes a new methodology based on risk assessments at three different horizons to better align the DSA with the Fund's lending framework. Increased use of automation will keep the changes broadly cost neutral (see paragraphs 40 in the main text).
	Update on the Joint IMF-WB Multipronged Approach to Address Debt Vulnerabilities	The budgetary impact would be considered as part of the annual budget process.
	Issues in Restructuring of Sovereign Domestic Debt	The budgetary impact considered as part of the annual budget process.
	Independent Evaluation Office—Working with Partners—IMF Collaboration with the World Bank on Macro-Structural Issues	IEO study finalized. Management is now looking at implementation of recommendations with some qualifications. No cost implications anticipated.
	The IMF Climate Strategy	The informal meeting is scheduled for April. A ramping up of climate work would be included in the proposed structural budget augmentation.
	Review of Climate Change Policy Assessment Pilots	The date for the informal brief is to be defined.

	Title	How Resource Implications Have Been Addressed (cont’d)
	Fund Engagement with Countries in Post-conflict and Fragile Situations	The informal meeting is scheduled for June. Work is underway to assess the potential scale of needs.
	Preparing the International Monetary and Financial System for the Rise of Digital Money	The informal meeting is scheduled for April. A ramping up of digital money work would be included in the proposed structural budget augmentation.
Lending	IMF COVID-19 Response—A New Short-Term Liquidity Line to Enhance the Adequacy of the Global Financial Safety Net	Established a new special facility in the GRA. The budgetary impact is part of the ongoing efforts to strengthen Fund lending and policies.
	Enhancing the Emergency Financing Toolkit—Responding to the COVID-19 Pandemic	The budgetary impact considered as part of the annual budget process.
	Fund's Pandemic Response—Lending Options to Support Members During the Next Stage of the Crisis	The budgetary impact would be considered as part of the annual budget process.
	Temporary Modification to the Fund’s Annual Access Limits	The budgetary impact would be considered as part of the annual budget process.
	Review of the Temporary Increase in Fund Access Limits	The budgetary impact would be considered as part of the annual budget process.
	Review of Enhanced Access Limits Under the Rapid Credit Facility and Rapid Financing Instrument	The budgetary impact would be considered as part of the annual budget process.
	Reform of the Policy on Public Debt Limits in IMF-Supported Programs	The budgetary impact would be considered as part of the annual budget process.
	Policy Safeguards for Countries Seeking Access to Fund Financial Support that Would Lead to High Levels of Combined GRA-PRGT Exposure	The budgetary impact would be considered as part of the annual budget process.

	Title	How Resource Implications Have Been Addressed (concluded)
	Review of Concessional Financing and Policies	The budgetary impact would be considered as part of the annual budget process.
	Eligibility to Use the Fund's Facilities for Concessional Financing, 2019	The budgetary impact is part of the ongoing efforts to strengthen Fund lending and policies.
	The IMF's Lending Framework for Low-Income Countries – Next Steps	Informal to engage. The budgetary impact is considered as part of the annual budget process.
	Catastrophe Containment and Relief Trust (CCRT)—Third Tranche of Debt Service Relief in the Context of the COVID-19 Pandemic	The budgetary impact is considered as part of the annual budget process. See paragraphs 9, 31, and 43 in the main text.
	Catastrophe Containment and Relief Trust—Approval of the Second Tranche of the Grant Assistance for Debt Relief	The budgetary impact is considered as part of the annual budget process.
	Catastrophe Containment and Relief Trust—Approval of Grant Assistance for Debt Service Relief	The budgetary impact is considered as part of the annual budget process.
	Review of the Adequacy of the Fund's Precautionary Balances	Directors revisited the indicative medium-term target and minimum floor for Precautionary Balances. Some budgetary impact in FY 22 is expected as Directors will reassess the adequacy of precautionary balances before the next regular review in two years. (Summing Up, fourth paragraph)
CD	Capacity Development Priorities for FY22-24	Informal to engage in February 2021. The budgetary impact is to be considered as part of the annual budget process.
Fund Finances	2020 Borrowing Agreements—Status of Commitments and Sixth Set of Agreements—Further Supplementary Information and Proposed Decision	The budgetary impact is considered as part of the annual budget process.

	Title	How Resource Implications Have Been Addressed (concluded)
	The Case for a General Allocation of SDRs during the Twelfth Basic Period	The budgetary impact is considered as part of the annual budget process.
	Fifteenth and Sixteenth General Reviews of Quotas—Draft Report of the Executive Board to the Board of Governors	The budgetary impact is considered as part of the annual budget process.
	Sixteenth General Review of Quotas—Adequacy of Fund Resources –Initial Considerations.	Informal session to engage scheduled for March 2021. The budgetary impact is considered as part of the annual budget process.
	Sixteenth General Review of Quotas—Quota Formula and Realigning Shares	Informal session to engage scheduled for June 2021. The budgetary impact is considered as part of the annual budget process.
	Proposed Decision to Modify the New Arrangements to Borrow and to Extend the Deadline for a Review of the Borrowing Guidelines	The budgetary impact is considered as part of the annual budget process.
	Maintaining Access to Bilateral Borrowing and Review of the Borrowing Guidelines	The budgetary impact is considered as part of the annual budget process.
Human Resources	2021 Review of Staff Compensation; Staff Recruitment and Retention Experience for CY2020	The budgetary impact is reflected in the FY 22 budget proposal.

Annex V. Budget and the Cloud

1. **Shift to Cloud-based IT Strategy:** The Fund's shift from traditional capital-intensive, on-premise IT development to cloud subscription-based solutions is in line with industry practice (Box 1). It provides a more flexible, scalable, and "on-demand" model, where updates are "pushed" to the client, in many cases going beyond regular maintenance and often involving upgrades to functionality and design. The widespread disruption caused by the COVID-19 outbreak has further reinforced the need for organizations to be agile enough to scale up or down with fluctuations in demand by leveraging cloud solutions. The Fund has embraced this rapidly evolving model.

Box 1. Cloud Adoption Industry Trends

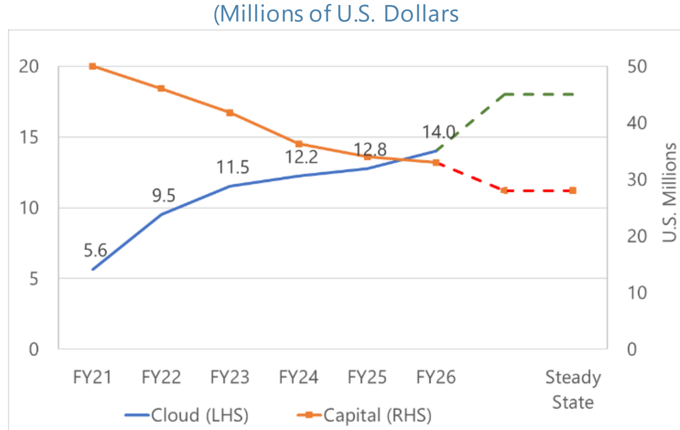
- By 2024, more than 45 percent of IT spending on system infrastructure, infrastructure software, application software and business process outsourcing is expected to shift from traditional solutions to the cloud.
- The global public cloud infrastructure market is expected to grow 35 percent in 2021.
- In 2020 Cloud vendors reported high year-over-year growth, with customers leaning heavily on the cloud to help adapt to the new reality post pandemic.
- By 2022, over 90 percent of enterprises worldwide will be relying on a mix of on-premises/dedicated private clouds, multiple public clouds, and legacy platforms to meet their infrastructure needs.
- An April 2020 survey of 50 CIOs found respondents expected to see the proportion of total workload done on-premise drop from 59 percent in 2019 to 38 percent in 2021, a reduction of 41 percent.

Source: Industry reports from Gartner, Forrester and Deloitte cited by OIA in their recommendations

2. **OIA Advisory.** At the request of OBP and ITD, OIA has provided advisory recommendations, to better manage cloud costs (Box 2). The recommendations are designed to improve transparency, decision-making and oversight over cloud costs, and support continued strengthening of the Board-approved Capital Investment Framework. Within the context of strong cloud financial management practices, OIA has proposed the establishment of a distinct funding category for cloud subscriptions and licenses (presented together with the capital budget) to better equip the Fund's budgeting model for cloud investments. OIA has noted that this proposed solution would align better with the new paradigm of the cloud model where some degree of

Capital and Cloud Costs

(Millions of U.S. Dollars



Source: ITD

"avoidance" of traditional capital investments is expected to occur, over the medium-term, alongside the Fund's shift to a cloud environment. The establishment of a separate funding category would help ensure that adequate funding is set aside for predictable future costs of approved cloud investments and would provide an effective and transparent framework to demonstrate efficiency gains derived across the IT budget portfolio.

Box 2. OIA Recommendations to Manage Cloud Costs

	Planning	Funding		Governance & Monitoring
Recommendations	**Build a multi-year cloud migration roadmap** to project and assess ex-ante the budgetary impact of migration to cloud from on-premises hosting solutions	**Record and Report on cloud subscriptions & licenses** and capital costs separate from the administrative budget	**Commit & set aside funds for cloud expenses** at time of investment approval	**Continue to operationalize key aspects of the Capital Investment Framework**, including protocols for portfolio prioritization and optimization with key stakeholders
Other Considerations	• Leverage existing work (Department Level IT Spend Roadmaps) to formulate a medium-term blueprint for cloud workload migration • Other MDB/IFIs e.g.. the World Bank have developed a similar approach to help plan for cloud spend	• Follow rigor & governance of the Fund's Capital Investment Framework (CIF), including reporting and oversight • Cater explicitly to budgetary impact of cloud projects • Cloud spend has offsetting link to capital costs • Inform deliberations on the size of the overall IT capital and cloud funding envelope • Enable greater transparency and visibility into cloud costs, and offsetting impact to capital budget	• Support integrated decision-making by considering capital and cloud-capital equivalent costs in a holistic fashion for planning and reporting processes.	**Strengthen cloud financial management** practices and tools to forecast, capture, and report cloud cost/spend Establish mechanisms to **better-articulate efficiency gains** across IT portfolio that result from cloud migration.

Source: OIA

3. **Benchmarks.** An important takeaway from the OIA advisory work is that seven out of the eight International Financial Institutions (IFIs) surveyed reserve funds to pay for ongoing cloud cost commitments. The World Bank has implemented a model for cloud capital investments that is conceptually aligned with the approach being proposed for the Fund (i.e., establishment of a cloud funding category). The Inter-American Development Bank is also experiencing funding model limitations and is investigating changes to its budgeting approach for cloud spend. While most IFIs are increasingly focusing on cloud costs as part of the budget planning and forecasting process, only 25 percent of surveyed IFIs have started building specialized tools for cloud financial management. This remains an area where there is significant potential for governance and oversight improvements.

4. **Proposal.** In keeping with OIA's recommendations, staff proposes to record and report on cloud subscriptions separate from the capital and administrative budgets. Specifically:

- Cloud subscription costs will be estimated and presented with the capital budget outside the administrative budget each year to allow for tracking of overall capital and cloud costs.

Specifically, cloud subscription costs will be identified as IT Cloud Capital Equivalent and included as a sub-category within the capital budget, along with Facilities and Information Technology.

- Cloud costs would follow the rigor and governance of the capital investment framework, including decision-making, reporting and oversight.

- The scale of cloud subscription funding relative to the IT capital envelope would inform deliberations on the scale of the latter.

- To manage the impact of cloud solutions on the Fund's budget, the framework will combine a multi-year portfolio approach and, at the project level, ex-ante consideration of the budgetary impact of cloud subscriptions. In this context, capital investments and cloud licenses will be considered in an integrated manner at the time of investment approval.

- The expected increase in overall cloud subscription costs will be monitored at the portfolio and individual project levels to ensure ongoing sustainability of these costs. To optimize cloud costs, it will be important to build robust cloud financial management practices and tools to support the forecasting, capturing, and reporting of cloud costs and spends.

- The updated Capital Investment Framework will continue to be fully operationalized, including elements of roles and responsibilities, prioritization, oversight and reporting.

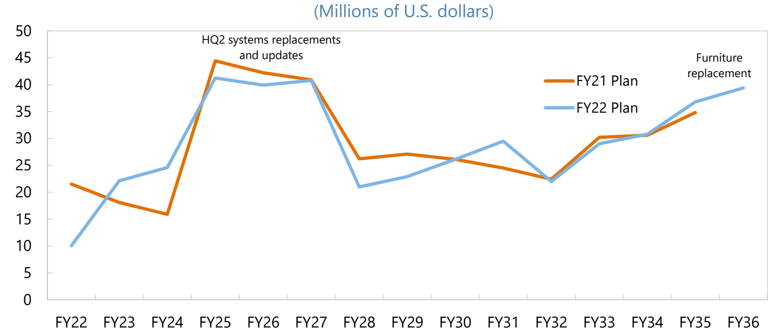
Annex VI. Long-Term Capital Plans

The components of the capital budget that are related to life-cycle replacements are subject to long-term planning. These plans are reviewed and revised regularly based on new assessments, information and updated strategy.

1. **Overview:** The long-term facilities capital plan (LTP) covers the portion of the budget that relates to the replacement of equipment, critical building systems and renovations for HQ1, HQ2 and Concordia. These projects are a subset of the overall facilities capital budget which also includes facilities improvement projects that are planned within a shorter timeframe. The LTP is informed by third-party Facilities Condition Assessments (FCA) conducted every three to five years. FCAs consider the age of the assets and best practice assumptions on the useful life to establish broad parameters for replacement costs. As end-of-life milestones are reached, engineering and other feasibility studies are performed to confirm the actual condition and need to replace the asset. The requested appropriation for a given year is based on the actual needs which may reflect an acceleration or delay compared to the assumptions in the LTP.

2. **Facilities:** The updated projections for facilities lifecycle replacements show an increase in FY 25 in anticipation of HQ2 end of life replacements and updates. In FY 25 HQ2 will be 20 years old, when updates to the building systems and finishes, which will have reached the standard life expectancy, will begin. Higher occupancy during the HQ1 renewal has also impacted the condition of systems and furnishings.

Facilities Capital Plan, FY 22-36 1/
(Millions of U.S. dollars)

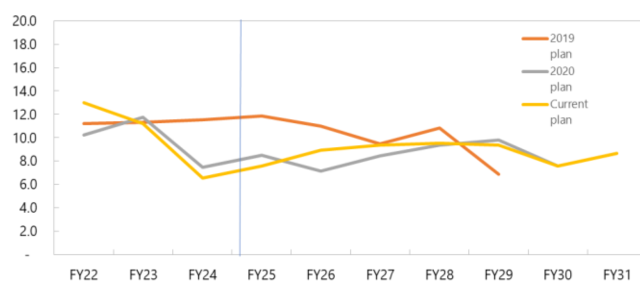


Source: Corporate Services and Facilities Department.
1/ Includes life-cycle replacements and major renovations.

3. **IT:** The IT infrastructure long term plan covers network equipment, servers, storage, and end-user devices. The updated LTP indicates an overall reduction in the medium-term, mainly resulting from migrations to cloud platforms. This trend is somewhat offset by higher costs for technologies that provide network security services.

- The FY 22-24 MTB includes a refresh of the remote office infrastructure, personal computer (PC), and Mobile devices. After FY 23, the plan

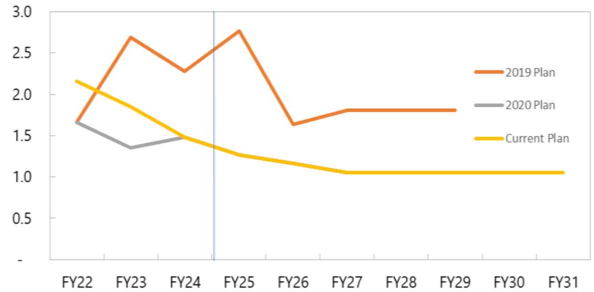
IT Infrastructure Capital Plan, FY 22-31
(Millions of U.S. dollars)



Source: Information Technology Department.

reflects a rolling 5- year lifecycle replacement schedule for PCs and a reduction in remote office infrastructure related to cloud initiatives.

Servers and Storage Trend, FY 22-31
(Millions of U.S. dollars)



Source: Information Technology Department.

- Migration of applications and the business continuity center to the cloud have also reduced server and storage expenditures. These impacts are quantified in the context of the cost-benefit analyses of relevant capital projects.

Annex VII. Statistical Tables

Table 1. Administrative Budget, FY 15-21

(Millions of U.S. dollars)

	FY 15		FY 16		FY 17		FY 18		FY 19		FY 20		FY 21	
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Proj. Outturn
Personnel	896	862	907	896	934	922	969	962	1,009	995	1,025	1,028	1,055	1,069
Travel	128	112	130	120	123	115	126	121	135	126	134	97	133	20
Buildings and other expenditures	193	204	200	199	205	218	209	226	215	224	224	225	230	212
Contingency 1/	7	0	10	0	11	0	11	0	12	0	14	0	11	0
Total Gross Expenditures	**1,224**	**1,177**	**1,247**	**1,215**	**1,273**	**1,255**	**1,315**	**1,309**	**1,371**	**1,346**	**1,397**	**1,350**	**1,429**	**1,301**
Less: Receipts	197	167	196	176	200	189	211	211	236	214	239	199	243	154
Total Net Expenditures	**1,027**	**1,010**	**1,052**	**1,038**	**1,072**	**1,066**	**1,104**	**1,099**	**1,135**	**1,131**	**1,158**	**1,150**	**1,186**	**1,147**
Memorandum item:														
Carry Forward	*42*		*42*		*43*		*44*		*46*		*47*		*55*	

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: Travel, FY 15-21

(Millions of U.S. dollars)

	FY 15		FY 16 1/		FY 17		FY 18		FY 19 1/		FY 20		FY 21 2/	
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Proj. Outturn
Expenditures	**128**	**112**	**130**	**120**	**123**	**115**	**126**	**121**	**135**	**126**	**134**	**97**	**133**	**20**
Business travel	100	87	104	92	98	88	99	92	111	99	107	72	103	5
Transportation	100	48	104	50	98	49	99	52	111	56	102	41	98	3
Per diem	...	39	...	42	...	39	...	40	...	43	6	31	5	2
Charters				0		0		0		0	0	0	0	0
Seminars & other	17	15	15	17	14	15	15	18	14	18	16	14	19	2
Other travel	11	10	12	11	12	11	12	11	10	10	10	10	10	13

Source: Office of Budget and Planning.
Note: Figures may not add to totals due to rounding.
1/ Includes travel to the Annual Meetings in Lima ($5 million in FY 16), Bali ($6 million in FY 19).
2/ Projected outturn for "Other travel" in FY 21 includes COVID-related medical travel and evacuations.

Table 3. Gross Administrative Expenditures: Buildings and Other Expenditures, FY 15-21

(Millions of U.S. dollars)

	FY 15		FY 16		FY 17		FY 18		FY 19		FY 20		FY 21	
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Proj. Outturn
Buildings and other expenses	**193**	**204**	**200**	**199**	**205**	**218**	**209**	**226**	**215**	**224**	**224**	**225**	**230**	**212**
Building occupancy	60	61	59	60	59	65	63	68	67	69	70	69	73	70
Information technology	57	60	60	59	61	65	65	69	69	66	72	67	73	70
Subscriptions and printing	20	20	20	20	19	21	21	22	20	21	14	20	21	18
Communications	7	9	7	8	7	8	8	8	8	8	8	8	8	7
Supplies and equipment	6	7	8	6	6	6	4	7	4	6	4	5	4	3
Miscellaneous 1/	42	47	46	46	52	53	50	52	46	55	57	56	52	43

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 4. Receipts

(Millions of U.S. dollars)

	FY 15		FY 16		FY 17		FY 18		FY 19		FY 20		FY 21	
	Budget	**Outturn**	**Budget**	**Outturn**	**Budget**	**Outturn**	**Budget**	**Outturn**	**Budget**	**Outturn**	**Budget**	**Outturn**	**Budget**	**Proj. Outturn**
Receipts	**197**	**167**	**196**	**176**	**200**	**189**	**211**	**211**	**236**	**214**	**239**	**199**	**243**	**154**
Externally-financed	154	131	157	142	160	153	172	174	196	178	200	168	206	133
General receipts 1/	43	37	39	34	40	35	39	37	40	36	39	31	37	21

Source: Office of Budget and Planning.
1/ Includes Trust Fund Management Fees.

Table 5a. Fund-financed Gross Administrative Spending Estimates by Output (indirect costs allocated), FY 19-21[1/]

	Millions of FY 21 U.S. dollars				Percent of total			
			FY 21				FY 21	
	FY 19	FY 20	Est. Resources	Proj. Outturn	FY 19	FY 20	Est. Resources	Proj. Outturn
Total	**1,229**	**1,210**	**1,223**	**1,167**	**100.0**	**100.0**	**100.0**	**100.0**
Multilateral surveillance	**266**	**265**	**279**	**290**	**21.6**	**25.3**	**22.8**	**24.9**
Global economic analysis	**128**	**125**	**126**	**131**	**10.4**	**11.4**	**10.3**	**11.2**
WEO	18	19	19	20	1.4	1.8	1.6	1.7
GFSR	15	14	17	17	1.2	1.5	1.3	1.5
General research	40	39	41	42	3.2	3.7	3.3	3.6
General outreach	56	52	49	51	4.5	4.5	4.0	4.4
Support and Inputs to Multilateral Forums and Consultations	**24**	**23**	**21**	**22**	**2.0**	**1.9**	**1.7**	**1.9**
Multilateral consultations	4	4	4	4	0.3	0.3	0.3	0.3
Support and Inputs to multilateral forums	20	19	17	18	1.6	1.6	1.4	1.5
Tools to prevent and resolve systemic crises	**70**	**74**	**84**	**88**	**5.7**	**7.6**	**6.9**	**7.5**
Analysis of vulnerabilities and imbalances	20	24	30	31	1.6	2.7	2.4	2.7
Other cross cutting analysis	45	44	48	50	3.7	4.3	3.9	4.3
Fiscal Monitor	5	5	7	7	0.4	0.6	0.5	0.6
Regional approaches to economic stability	**44**	**44**	**48**	**50**	**3.5**	**4.4**	**3.9**	**4.3**
REOs	20	20	23	24	1.6	2.1	1.9	2.1
Surveillance of regional bodies	8	7	8	8	0.7	0.7	0.6	0.7
Other regional projects	16	17	17	18	1.3	1.5	1.4	1.5
Oversight of global systems	**149**	**150**	**151**	**155**	**12.1**	**13.5**	**12.4**	**13.3**
Development of international financial architecture	**48**	**55**	**52**	**53**	**3.9**	**4.6**	**4.2**	**4.5**
Work with FSB and other international bodies	7	7	7	7	0.6	0.6	0.6	0.6
Other work on monetary, financial, and capital markets issues	41	48	45	46	3.3	4.0	3.7	3.9
Data transparency	**40**	**37**	**41**	**42**	**3.3**	**3.6**	**3.3**	**3.6**
Statistical information/data	31	28	29	30	2.6	2.6	2.4	2.6
Statistical manuals	2	2	6	6	0.2	0.5	0.5	0.5
Statistical methodologies	6	7	6	6	0.5	0.5	0.5	0.5
The role of the Fund	**61**	**59**	**59**	**60**	**4.9**	**5.3**	**4.8**	**5.2**
Development and review of Fund policies and facilities excl. PRGT and GRA	27	25	26	26	2.2	2.3	2.1	2.3
Development and review of Fund policies and facilities - PRGT	14	15	14	14	1.1	1.2	1.1	1.2
Development and review of Fund policies and facilities - GRA	8	9	11	12	0.7	1.0	0.9	1.0
Quota and voice	7	6	5	5	0.6	0.4	0.4	0.4
SDR issues	4	4	4	4	0.3	0.3	0.3	0.3
Bilateral surveillance	**355**	**320**	**304**	**245**	**28.9**	**20.9**	**24.8**	**21.0**
Assessment of economic policies and risks	**308**	**284**	**279**	**225**	**25.0**	**19.2**	**22.8**	**19.2**
Article IV consultations	235	210	174	140	19.1	12.0	14.2	12.0
Other bilateral surveillance	73	74	105	85	5.9	7.2	8.6	7.3
Financial soundness evaluations - FSAPs/OFCs	**38**	**31**	**18**	**15**	**3.1**	**1.3**	**1.5**	**1.3**
Standards and Codes evaluations	**9**	**6**	**7**	**5**	**0.7**	**0.5**	**0.5**	**0.5**
ROSCs	1	0	0	0	0.1	0.0	0.0	0.0
AML/CFT	2	2	1	1	0.2	0.1	0.1	0.1
GDDS/SDDS	6	4	5	4	0.5	0.3	0.4	0.3
Lending (incl. non-financial instruments)	**184**	**207**	**224**	**249**	**14.9**	**21.7**	**18.3**	**21.4**
Arrangements supported by Fund resources	**138**	**168**	**199**	**222**	**11.2**	**19.3**	**16.3**	**19.0**
Programs and precautionary arrangements supported by general resources	71	94	111	123	5.8	10.7	9.0	10.6
Programs supported by PRGT resources	67	74	89	99	5.5	8.6	7.2	8.5
Non-financial instruments and debt relief 2/	**45**	**38**	**25**	**27**	**3.7**	**2.4**	**2.0**	**2.3**
Capacity development	**252**	**235**	**229**	**203**	**20.5**	**18.6**	**18.7**	**17.4**
Technical assistance	203	188	195	174	16.5	15.9	16.0	14.9
Training	49	47	34	30	4.0	2.7	2.7	2.6
					-	-	-	-
Miscellaneous 3/	**24**	**33**	**25**	**25**	**2.0**	**(0.0)**	**2.0**	**2.1**
Contingency	...	...	**11**	...	...	...	**0.9**	...
Reconciliation item 4/	**0**	**0**	...	...	**(0.0)**	**(0.0)**	...	...

Sources: 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 5b. Total Gross Administrative Spending Estimates by Output (indirect costs allocated), FY 19-21[1/]

	Millions of FY 21 U.S. dollars				Percent of total			
			FY 21				FY 21	
	FY 19	FY 20	Estimated Structural Resources	Proj. Outturn	FY 19	FY 20	Estimated Structural Resources	Proj. Outturn
Total	**1,414**	**1,382**	**1,429**	**1,301**	**100.0**	**100.0**	**100.0**	**100.0**
Multilateral surveillance	**266**	**265**	**279**	**290**	**18.8**	**19.2**	**19.6**	**22.3**
Global economic analysis	**128**	**125**	**126**	**131**	**9.0**	**9.0**	**8.8**	**10.1**
WEO	18	19	19	20	1.2	1.4	1.4	1.5
GFSR	15	14	17	17	1.0	1.0	1.2	1.3
General research	40	39	41	42	2.8	2.8	2.8	3.2
General outreach	56	52	49	51	3.9	3.8	3.5	3.9
Support and Inputs to Multilateral Forums and Consultations	**24**	**23**	**21**	**22**	**1.7**	**1.7**	**1.5**	**1.7**
Multilateral consultations	4	4	4	4	0.3	0.3	0.2	0.3
Support and Inputs to multilateral forums	20	19	17	18	1.4	1.3	1.2	1.4
Tools to prevent and resolve systemic crises	**70**	**74**	**84**	**88**	**5.0**	**5.3**	**5.9**	**6.7**
Analysis of vulnerabilities and imbalances	20	24	30	31	1.4	1.7	2.1	2.4
Other cross cutting analysis	45	44	48	50	3.2	3.2	3.3	3.8
Fiscal Monitor	5	5	7	7	0.4	0.4	0.5	0.5
Regional approaches to economic stability	**44**	**44**	**48**	**50**	**3.1**	**3.2**	**3.4**	**3.8**
REOs	20	20	23	24	1.4	1.4	1.6	1.9
Surveillance of regional bodies	8	7	8	8	0.6	0.5	0.5	0.6
Other regional projects	16	17	17	18	1.1	1.2	1.2	1.4
Oversight of global systems	**149**	**151**	**151**	**155**	**10.6**	**10.9**	**10.6**	**11.9**
Development of international financial architecture	**48**	**55**	**52**	**53**	**3.4**	**4.0**	**3.6**	**4.1**
Work with FSB and other international bodies	7	7	7	7	0.5	0.5	0.5	0.6
Other work on monetary, financial, and capital markets issues	41	48	45	46	2.9	3.5	3.1	3.5
Data transparency	**40**	**37**	**41**	**42**	**2.8**	**2.7**	**2.8**	**3.2**
Statistical information/data	31	28	29	30	2.2	2.0	2.0	2.3
Statistical manuals	2	2	6	6	0.2	0.2	0.4	0.4
Statistical methodologies	6	7	6	6	0.5	0.5	0.4	0.5
The role of the Fund	**61**	**59**	**59**	**60**	**4.3**	**4.3**	**4.1**	**4.6**
Development and review of Fund policies and facilities excl. PRGT and GRA	28	25	26	26	1.9	1.8	1.8	2.0
Development and review of Fund policies and facilities - PRGT	14	15	14	14	1.0	1.1	1.0	1.1
Development and review of Fund policies and facilities - GRA	8	9	11	12	0.6	0.6	0.8	0.9
Quota and voice	7	6	5	5	0.5	0.4	0.3	0.4
SDR issues	4	4	4	4	0.3	0.3	0.3	0.3
Bilateral surveillance	**355**	**321**	**304**	**245**	**25.1**	**23.2**	**21.2**	**18.8**
Assessment of economic policies and risks	**308**	**284**	**279**	**225**	**21.8**	**20.5**	**19.5**	**17.3**
Article IV consultations	235	210	174	140	16.6	15.2	12.2	10.8
Other bilateral surveillance	73	74	105	85	5.1	5.3	7.3	6.5
Financial soundness evaluations - FSAPs/OFCs	**38**	**31**	**18**	**15**	**2.7**	**2.2**	**1.3**	**1.1**
Standards and Codes evaluations	**9**	**7**	**7**	**5**	**0.6**	**0.5**	**0.5**	**0.4**
ROSCs	1	0	0	0	0.1	0.0	0.0	0.0
AML/CFT	2	2	1	1	0.2	0.1	0.1	0.1
GDDS/SDDS	6	4	5	4	0.4	0.3	0.3	0.3
Lending (incl. non-financial instruments)	**184**	**207**	**224**	**249**	**13.0**	**14.9**	**15.7**	**19.2**
Arrangements supported by Fund resources	**138**	**168**	**199**	**222**	**9.8**	**12.2**	**13.9**	**17.1**
Programs and precautionary arrangements supported by general resources	71	94	111	123	5.0	6.8	7.7	9.5
Programs supported by PRGT resources	67	74	89	99	4.8	5.4	6.2	7.6
Non-financial instruments and debt relief 2/	**45**	**38**	25	27	**3.2**	**2.8**	**1.7**	**2.1**
Capacity development	**432**	**398**	**435**	**337**	**30.6**	**28.8**	**30.4**	**25.9**
Technical assistance	362	334	379	293	25.6	24.2	26.5	22.6
Training	70	64	56	43	4.9	4.7	3.9	3.3
					-	-	-	-
Miscellaneous 3/	**28**	**41**	**25**	**25**	**2.0**	**3.0**	**1.7**	**1.9**
Contingency	...	...	**11**	...	...	...	**0.8**	...
Reconciliation item 4/	**0**	**0**	...	...	**-**	**-**	...	...

Sources: 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 5c. Fund-financed Gross Administrative Spending Estimates by Output (direct costs), FY 19-21[1/]

	Millions of FY 21 U.S. dollars				Percent of total			
			FY 21				FY 21	
	FY 19	FY 20	Estimated Structural Resources	Proj. Outturn	FY 19	FY 20	Estimated Structural Resources	Proj. Outturn
Total	**1,229**	**1,210**	**1,223**	**1,167**	**100.0**	**100.0**	**100.0**	**100.0**
Multilateral surveillance	**176**	**176**	**178**	**189**	**14.3**	**11.9**	**14.6**	**16.2**
Global economic analysis	**89**	**86**	**83**	**88**	**7.2**	**5.5**	**6.8**	**7.5**
WEO	11	12	12	12	0.9	0.8	1.0	1.1
GFSR	9	9	10	11	0.8	0.7	0.8	0.9
General research	25	25	25	26	2.0	1.7	2.0	2.3
General outreach	43	41	36	38	3.5	2.4	2.9	3.3
Support and Inputs to Multilateral Forums and Consultations	**15**	**15**	**13**	**14**	**1.3**	**0.9**	**1.1**	**1.2**
Multilateral consultations	3	3	2	2	0.2	0.1	0.2	0.2
Support and Inputs to multilateral forums	13	12	11	11	1.0	0.7	0.9	1.0
Tools to prevent and resolve systemic crises	**44**	**46**	**52**	**55**	**3.6**	**3.4**	**4.2**	**4.7**
Analysis of vulnerabilities and imbalances	12	15	18	19	1.0	1.2	1.5	1.6
Other cross cutting analysis	28	28	30	31	2.3	2.0	2.4	2.7
Fiscal Monitor	3	3	4	4	0.3	0.3	0.3	0.4
Regional approaches to economic stability	**28**	**28**	**31**	**32**	**2.3**	**2.0**	**2.5**	**2.8**
REOs	13	13	15	16	1.0	1.0	1.2	1.3
Surveillance of regional bodies	5	4	5	5	0.4	0.3	0.4	0.4
Other regional projects	10	11	11	11	0.8	0.7	0.9	1.0
Oversight of global systems	**96**	**97**	**95**	**99**	**7.8**	**6.2**	**7.8**	**8.5**
Development of international financial architecture	**31**	**36**	**33**	**34**	**2.5**	**2.1**	**2.7**	**2.9**
Work with FSB and other international bodies	5	5	5	5	0.4	0.3	0.4	0.4
Other work on monetary, financial, and capital markets issues	26	31	28	29	2.1	1.8	2.3	2.5
Data transparency	**25**	**24**	**26**	**26**	**2.0**	**1.6**	**2.1**	**2.3**
Statistical information/data	20	18	18	19	1.6	1.2	1.5	1.6
Statistical manuals	1	1	4	4	0.1	0.2	0.3	0.3
Statistical methodologies	4	5	4	4	0.3	0.2	0.3	0.3
The role of the Fund	**40**	**38**	**37**	**38**	**3.2**	**2.4**	**3.0**	**3.3**
Development and review of Fund policies and facilities excl. PRGT and GRA	18	16	16	16	1.5	1.0	1.3	1.4
Development and review of Fund policies and facilities - PRGT	8	9	8	8	0.7	0.5	0.7	0.7
Development and review of Fund policies and facilities - GRA	5	6	7	8	0.4	0.5	0.6	0.7
Quota and voice	5	4	3	3	0.4	0.2	0.3	0.3
SDR issues	3	3	3	3	0.2	0.2	0.2	0.2
Bilateral surveillance	**225**	**204**	**217**	**158**	**18.3**	**9.6**	**17.7**	**13.5**
Assessment of economic policies and risks	**196**	**181**	**200**	**145**	**15.9**	**8.9**	**16.3**	**12.4**
Article IV consultations	149	134	125	91	12.1	5.5	10.2	7.8
Other bilateral surveillance	47	47	75	55	3.8	3.3	6.1	4.7
Financial soundness evaluations - FSAPs/OFCs	**24**	**19**	**13**	**9**	**1.9**	**0.6**	**1.1**	**0.8**
Standards and Codes evaluations	**5**	**4**	**4**	**3**	**0.4**	**0.2**	**0.4**	**0.3**
ROSCs	0	0	0	0	0.0	0.0	0.0	0.0
AML/CFT	1	1	1	1	0.1	0.0	0.1	0.0
GDDS/SDDS	3	3	3	2	0.3	0.2	0.3	0.2
Lending (incl. non-financial instruments)	**120**	**135**	**136**	**161**	**9.8**	**10.1**	**11.1**	**13.8**
Arrangements supported by Fund resources	**90**	**110**	**121**	**143**	**7.3**	**9.0**	**9.9**	**12.3**
Programs and precautionary arrangements supported by general resources	47	62	67	79	3.8	5.0	5.4	6.8
Programs supported by PRGT resources	43	48	54	64	3.5	4.0	4.4	5.5
Non-financial instruments and debt relief 2/	**30**	**25**	**15**	**18**	**2.4**	**1.1**	**1.2**	**1.5**
Capacity development	**147**	**142**	**148**	**122**	**12.0**	**8.2**	**12.1**	**10.5**
Technical assistance	112	109	122	101	9.1	6.8	10.0	8.7
Training	35	33	25	21	2.8	1.4	2.1	1.8
Support and Governance	**420**	**431**	**413**	**414**	**34.2**	**53.7**	**33.8**	**35.5**
Miscellaneous 3/	**26**	**25**	**25**	**25**	**2.1**	**0.3**	**2.0**	**2.1**
Contingency	. . .	. . .	**11**	. . .	. . .	. . .	**0.9**	. . .
Reconciliation item 4/	**19**	**0**	. . .	. . .	**1.6**	**-**	. . .	. . .

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

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

[2/] Includes PPM, PSI, SMP, EPA, JSAN, and debt relief initiatives.

[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 6. Capital Expenditures, FY 15–21

	Formula Key	Facilities	Information Technology	HQ2	HQ1 Renewal	Concordia Renovation	Total Capital
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	(35) = (27)-(28)-(29)	48.1	23.2		39.0		110.4
FY 20							
New appropriations	(36)	40.8	45.0		0.0		85.8
Total funds available	(37)= (35)+(36)	88.9	68.2		39.0		196.2
Expenditures (Est.)	(38)	41.8	42.2		22.8		106.8
Lapsed funds 1/	(34)	1.8	0.0		0.0		1.8
Remaining funds	(39) = (37)-(38)	45.4	26.0		16.2		87.6
FY 21							
New appropriations	(40)	42.4	56.3		0.0		98.7
Total funds available	(41)= (39)+(40)	87.8	82.3		16.2		186.3
Expenditures (Est.)	(42)	26.0	46.0		1.0		73.0
Remaining funds (Est.) 2/	(45) = (41)-(42)	61.8	36.3		15.2		113.3

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

1/ Figures reflect funds that were not spent within the three-year appropriation period, e.g., FY 16 appropriated funds lapsed at the end of FY 18.

2/ Figures reflect the unspent amount of the budget appropriation in the period concerned. Those funds can be used for authorized projects in the remaining period(s).
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.

PRESS RELEASE

Appendix I. Draft Press Release

PR/YY/XX

IMF Executive Board Approves FY 2022–FY 2024 Medium-Term Budget

FOR IMMEDIATE RELEASE

Washington, DC—On April [23], 2021, the Executive Board of the International Monetary Fund (IMF) approved the IMF's administrative and capital budgets for financial year (FY) 2022, beginning May 1, 2021, and took note of indicative budgets for FY 2023–24.

The FY 2022 budget is set in the context of a global economic outlook that is marked by high uncertainty and the likelihood of uneven recovery, with many countries facing daunting crisis legacies. The budget provides for continued Fund support for its membership with the immediate crisis response and to navigate a safe exit from the crisis.

The approved net administrative budget for FY 2022, which covers all administrative expenses less receipts (primarily from external sources to help support capacity building activities and excluding lending income), has been set at US$1,214 million. The approved FY 2022 budget sustains crisis response and provides incremental resources for long-term priorities within an unchanged resource envelope in real terms for the tenth year in a row, measured relative to the IMF's budget deflator (with the exception of a small (0.6 percent) increase in FY 2017 to meet rising information and physical security costs). The budget is built on extensive reprioritization and savings—including from modernization. In light of immediate crisis-related needs, the Executive Board has also approved a temporary increase in the maximum amount of unused budget resources that can be carried forward from previous years from 5 to 8 percent of the underlying budget.

The FY 2022 capital budget is set at US$79 million and provides financing for building facilities and information technology capital projects. This includes projects to modernize digital platforms and tools. In response to the industry shift towards cloud-subscription based information technology solutions, the Board approved a change in the budgetary treatment of these expenses.

Additional information can be found in the staff paper.

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