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FY2021—Output Cost Estimates and Budget Outturn

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FY2021—OUTPUT COST ESTIMATES AND BUDGET OUTTURN

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FY2021—OUTPUT COST ESTIMATES AND BUDGET OUTTURN

EXECUTIVE SUMMARY

The COVID-19 pandemic and the ensuing global economic crisis had profound effect on the Fund's members and on its own operations during FY21, with multispeed, incomplete recoveries underway amid high uncertainty. A prompt reallocation of resources and use of contingencies facilitated an agile response by the Fund to the needs of the membership.

This paper details the final FY21 outturn. It highlights the timely reprioritization of activities and repurposing of resources to address crisis-related needs within the flat real budget envelope. At the same time, the Fund addressed operational needs related to business continuity in the context of the work-from-home environment and a travel moratorium.

Lower utilization of the net administrative budget (94.9 percent compared to 99.3 percent in FY20) primarily reflected the travel moratorium and the impact of lower building occupancy and IT-related shortfalls. A pandemic-related drop in CD-related travel and personnel spending likewise drove a decline in externally financed execution from 84 percent in FY20 to just under 60 percent. Similarly, capital budget utilization fell to 41 percent from 54 percent in FY20 due to crisis-driven postponement of several projects, particularly related to facilities.

Importantly, spending data does not reflect the significant increase in uncompensated work from overtime and unused leave during FY21.

In April 2021, the Executive Board approved a temporary increase in the general carry forward limit from 5 to 8 percent of the net administrative budget, allowing use of underspend from previous years to meet transitional and crisis-related needs in FY22 and future years, including for a temporary ramp up in staffing.

In the coming period, the Fund's budget will continue to be affected by the crisis-related needs of the membership, as well as the impact of longer-term challenges affecting the global economy, including climate change, digitalization and increasing divergence between and within member countries. Likewise, future budgets will incorporate ongoing modernization and new ways of working, drawing from lessons from the crisis period.

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Abbreviation and Acronyms

ACES	Analytic Costing and Estimation System
AD	Area Departments
AFR	African Department
APD	Asia & Pacific Department
CCAM	Caucasus, Central Asia, and Mongolia
CCAMTAC	Caucasus, Central Asia, and Mongolia Technical Assistance Center
CCBR	Comprehensive Compensation and Benefits Review
CD	Capacity Development
CDFF	Capacity Development Fund-financed
CDEF	Capacity Development Externally financed
CDMAP	Capacity Development Management and Administration Program
COM	Communications Department
CSR	Comprehensive Surveillance Review
ECF	Extended Credit Facility
EFF	Extended Fund Facility
FAD	Fiscal Affairs Department
FCS	Fragile and Conflict-Affected States
FGF	Fund Governance and Fund Finances
FIN	Finance Department
FSAP	Financial Sector Assessment Program
FTE	Full-Time Equivalent
GED	Global External Deflator
GPA	Global Policy Agenda
GRA	General Resource Account
HRD	Human Resources Department
ICD	Institute for Capacity Development
iDW	Integrated Digital Workplace
IEO	Independent Evaluation Office
ISU	Internal Support
LEG	Legal Department
LOE	Lending including other engagement
MCD	Middle East & Central Asia Department
MCM	Monetary and Capital Markets Department
MSAP	Multilateral Surveillance, Analytical, and Policy Work
MTB	Medium-Term Budget
OBP	Office of Budget and Planning
OED	Office of Executive Directors
PFTAC	Pacific Financial Technical Assistance Centre
PRGT	Poverty Reduction and Growth Trust
RCF	Rapid Credit Facility

RES	Research Department
RFI	Rapid Financing Instrument
RTAC	Regional Training Assistance Center
SBA	Stand-By Arrangement
SCF	Stand-By Credit Facility
SEC	Secretary's Department
SPR	Strategy, Policy, and Review Department
STA	Statistics Department
SU	Bilateral Surveillance
TFMF	Trust Fund Management Fee
TRACES	Time Reporting for Analytic Costing and Estimation System
WHD	Western Hemisphere Department