IMF POLICY PAPER

FY2025-FY2027 MEDIUM-TERM BUDGET

IMF staff regularly produces papers proposing new IMF policies, exploring options for
reform, or reviewing existing IMF policies and operations. The following documents have
been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its
  April 25, 2024 consideration of the staff report.

- The **Staff Report** on the Medium-Term Budget was prepared by the IMF staff and
  completed on March 28, 2024 for the Executive Board’s consideration on April 25,
  2025.

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other documents.

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**International Monetary Fund**

Washington, D.C.
IMF Executive Board Approves  
FY2025–FY2027 Medium-Term Budget  
FOR IMMEDIATE RELEASE  
Washington, DC — The Executive Board of the International Monetary Fund approved the 2025-27 financial years (FY25-27) medium-term budget. While the global economy has shown resilience to successive adverse shocks, the overall global economic context remains complex with slow and uneven growth, increased fragmentation, deepening divergence, and still high interest rates despite easing inflationary pressures. This environment has contributed to sustained high demand for Fund financial support, and more granular and country-tailored policy analysis, advice, and capacity development. The Board recognized the imperative for the Fund to continue to adapt to members’ evolving needs, helping them safeguard macroeconomic stability and rebuild buffers while bolstering international cooperation to support ongoing structural transitions requiring joint action.

The Board noted that the Fund’s budget is in a transition period. This reflects both the unwinding of temporary resources that helped address urgent pandemic-related work as well as the completion of the three-year structural augmentation to help members tackle macro-critical challenges related to climate, digital money, macrofinancial surveillance, fragility, and inequality. Against this backdrop and recognizing the sustained high workload and demands on Fund staff, the Board emphasized the importance of reprioritization to support the continued budget agility and discipline which guided the formulation of the FY25-27 budget and of strong cooperation with other institutions. They also welcomed the commitment to return to a flat real budget trajectory in FY26.

The approved net administrative budget for FY25 (May 1, 2024–April 30, 2025) totals US$1,501 million, consistent with projected income and the path for the precautionary balances target. The budget includes the final tranche of the structural augmentation (2 percent of the net administrative budget) in support of work towards a greener, digital, and more inclusive global economy. It also includes a one-off increase for the Executive Board to restore staffing levels to those before the 2008 downsizing, support the creation of a 25th chair, and address broader work pressures, after incorporating internal savings. The maximum amount of unused budget resources that can be carried forward from previous years will be reduced from 6 to 5 percent of the underlying budget to continue the gradual unwinding of temporary pandemic-related resourcing introduced in FY21.

The Board also endorsed the final of a three-year step increase in the externally funded spending limit approved last year to support capacity development (CD) efforts in the structural transformation areas.

The FY25 capital budget is set at US$122 million and will support facilities investments—among them, lifecycle replacements and upgrades to field offices—as well as IT-intensive investments, including associated cloud license costs.

Additional information can be found in the staff paper on the FY25-27 Medium-Term Budget (link to be added).
FY2025-FY2027 MEDIUM-TERM BUDGET

EXECUTIVE SUMMARY

**Context.** The global economic environment remains complex, with the membership facing an increasingly shock-prone world, increased fragmentation, and longer-term structural challenges, driving strong demand for Fund engagement.

**FY25-27 budget framework.** The budget is in transition from a growth to stabilization phase, with allocation of the final tranche of the FY23-25 augmentation in FY25 roughly matched in scale with the continued unwinding of exceptional pandemic-era temporary funding and with a flat trajectory projected for FY26 and FY27. Ongoing reprioritization focuses on aligning resources with members’ needs and institutional priorities, guided by principles of agility and discipline and recognizing the need for difficult trade-offs given high work pressures and competing demands within the constrained budget.

**FY25 net administrative budget** (NAB). The proposed NAB ($1,501 million, nominal) includes the final augmentation tranche (2.1 percent of the NAB) and a one-off increase to the Executive Board (OED) budget (0.6 percent of the NAB), including to support creation of a 25th Chair. It continues to recognize strong demands in traditional areas, while incorporating work toward a greener, digital, and more inclusive global economy.

**External funding.** The externally funded budget ($276 million, nominal) reflects the continued recovery of in-person delivery of capacity development activities. As part of the three-year increase in the externally funded spending limit agreed in FY22, a 6 percent real increase is proposed to support the structural transformation agenda.

**FY25 capital budget.** The proposed capital budget ($121.9 million, nominal) will support facilities lifecycle replacements and field offices, while accommodating staff growth. IT-intensive investments will be informed by the forthcoming Business Technology Strategy and a strengthened prioritization framework, considering a strong pipeline of medium-term demand, with cloud costs rising as estimated.

**Sustainability.** The FY25–27 budget remains consistent with the Fund’s medium-term income position and precautionary balance target.

**Risks.** Amid the multiple shocks facing the membership, risks to the budget remain elevated, including from uncertainty regarding the level of demand for Fund lending and the impact of sustained high work pressures on staff well-being. While risk mitigation activities are embedded in the budget, and the Fund’s enterprise risk management continues to be strengthened, significant residual risk related to external drivers can only be partially mitigated.
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## Abbreviation and Acronyms

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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACES</td>
<td>Analytic Costing and Estimation System</td>
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<tr>
<td>AD</td>
<td>Area Departments</td>
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<tr>
<td>AFR</td>
<td>African Department</td>
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<tr>
<td>APD</td>
<td>Asia &amp; Pacific Department</td>
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<tr>
<td>BSL</td>
<td>Bilateral Surveillance and lending</td>
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<tr>
<td>CCBR</td>
<td>Comprehensive Compensation and Benefits Review</td>
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<td>CD</td>
<td>Capacity Development</td>
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<tr>
<td>CDEF</td>
<td>Capacity Development Externally financed</td>
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<td>CDFF</td>
<td>Capacity Development Fund-financed</td>
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<td>CDMAP</td>
<td>Capacity Development Management and Administration Program</td>
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<tr>
<td>COM</td>
<td>Communications Department</td>
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<tr>
<td>CSF</td>
<td>Corporate Services and Facilities Department</td>
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<tr>
<td>CSR</td>
<td>Comprehensive Surveillance Review</td>
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<td>EUR</td>
<td>European Department</td>
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<td>FAD</td>
<td>Fiscal Affairs Department</td>
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<td>FCL</td>
<td>Flexible Credit Line</td>
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<td>FCS</td>
<td>Fragile and Conflict-Affected States</td>
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<td>Fund Governance and Fund Finances</td>
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<td>FSAP</td>
<td>Financial Sector Assessment Program</td>
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<td>FTE</td>
<td>Full-Time Equivalent</td>
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<td>GED</td>
<td>Global External Deflator</td>
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<td>GPA</td>
<td>Global Policy Agenda</td>
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<td>General Resource Account</td>
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<td>Human Resources Department</td>
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<tr>
<td>ICD</td>
<td>Institute for Capacity Development</td>
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<td>Independent Evaluation Office</td>
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<td>MCD</td>
<td>Middle East &amp; Central Asia Department</td>
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<td>Monetary and Capital Markets Department</td>
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<td>MSGS</td>
<td>Multilateral Surveillance, Global Cooperation and Standard Setting</td>
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<td>MTB</td>
<td>Medium-Term Budget</td>
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<tr>
<td>NAB</td>
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<td>OBP</td>
<td>Office of Budget and Planning</td>
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<td>Office of Executive Directors</td>
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<td>Office of Risk Management</td>
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<td>PLL</td>
<td>Precautionary Liquidity Line</td>
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<tr>
<td>PRGT</td>
<td>Poverty Reduction and Growth Trust</td>
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<tr>
<td>RES</td>
<td>Research Department</td>
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RFI  Rapid Financing Instrument
RST  Resilience and Sustainability Trust
SEC  Secretary’s Department
SLL  Short-term Liquidity Line
SPR  Strategy, Policy, and Review Department
STA  Statistics Department
TFMF Trust Fund Management Fee
TRM  Office of Transformation Management
WHD  Western Hemisphere Department