



# IMF POLICY PAPER

## FY2026-FY2028 MEDIUM-TERM BUDGET

April 2025

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 18, 2025 consideration of the staff report.
- The **Staff Report** on the Medium-Term Budget was prepared by the IMF staff and completed on March 10, 2025 for the Executive Board's consideration on April 18, 2025.

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**International Monetary Fund**  
**Washington, D.C.**



## IMF Executive Board Approves FY2026–FY2028 Medium-Term Budget

FOR IMMEDIATE RELEASE

**Washington, DC**—On April 18, the Executive Board of the International Monetary Fund (IMF) approved the 2026-28 financial years (FY26-28) medium-term budget. While proving resilient in the post-pandemic period, the global economy is at a pivotal juncture amidst transformations in the economic landscape and shifting policy priorities around the world. Reflecting this complex economic backdrop, member countries continue to look to the IMF for support across the range of its operations.

While the issues that the Fund has been called on to address have become increasingly complex over the years, the Fund's budget is roughly the same in real terms as it was two decades ago, reflecting the Fund's longstanding emphasis on budget discipline. In the current context, budget management remains challenging given elevated demands and high budget execution rates, requiring difficult tradeoffs. In this context, the Board emphasized the importance of continued prudent stewardship of members' resources and continued reprioritization to ensure that the Fund can keep responding with agility to the needs of its membership.

The approved net administrative budget for FY26 (May 1, 2025–April 30, 2026) totals US\$1,551.7 million, consistent with projected income and the path for the precautionary balances target. The maximum amount of unused budget resources that can be carried forward from previous years will be reduced from 5 to 4 percent in FY26, with this level expected to decline further to 3 percent in FY27.

The FY26 capital budget is set at US\$132.5 million and will support both facilities-related needs and IT-intensive investments, supporting end-of-life facilities replacements, field office support, ongoing IT-intensive modernization and legacy replacements, as well as investment in Artificial Intelligence and in the Fund's cyber-security posture.

Additional information can be found in the staff paper on the FY26-28 Medium-Term Budget.



March 28, 2025

## FY2026-FY2028 MEDIUM-TERM BUDGET

### EXECUTIVE SUMMARY

**Context.** The global economy has proven resilient in the post-pandemic period, with global disinflation continuing, but with significant remaining uncertainty. This backdrop and transformations in the economic landscape are driving strong demand for Fund engagement.

**FY26-28 budget framework.** The overall budget context reflects ongoing budget discipline, with a management-led streamlining exercise reinforcing department-level prioritization of activities critical to both creating space for new initiatives and relieving staff work pressures.

**FY26 net administrative budget (NAB).** The proposed NAB (\$1,551.7 million, nominal) is guided by the longstanding principle of budget prudence. Notwithstanding a modest proposed structural top-up to supplement critical cybersecurity-related needs, overall net resourcing to departments will decline, given ongoing unwinding of temporary pandemic-era resources. Within these constraints, budget allocations recognize strong demand by members for support in addressing a rapidly changing global economic landscape, with a rebalancing of activities to increase funding for direct country support.

**External funding.** The externally funded budget (\$288.2 million, nominal) will increase slightly in real terms in FY26, reflecting one-off factors.

**Capital budget.** The proposed FY26 capital budget (\$132.5 million, nominal) will support large facilities replacement needs and field offices, with initial planning for a refresh of the HQ2 building. It will also support IT-intensive investments under the Fund's Business Technology Strategy, with ongoing modernization and legacy replacements, as well as investment in AI and the Fund's cyber-security posture.

**Sustainability.** The FY26–28 budget remains consistent with the Fund's medium-term income position and precautionary balance target.

**Risks.** Budget-related risks include potential for further increases in demand for Fund lending (from already high levels); the impact of sustained high work pressures; and risks related to pricing pressures; CD donor funding, technology and process-related vulnerabilities, and IT-intensive capital project implementation. These issues are captured within the enterprise risk framework, with specified mitigation taken into account in resourcing and with residual risks monitored on an ongoing basis.

**Approved By**  
**Michele Shannon**

Prepared by the Office of Budget and Planning (OBP) team lead by Maria Albino under the supervision of Laurence Allain with contributions from Feras Abu Amra, Tammie Alzona, Gillian Adu, Emre Alper, Enkhtuul Bayarjargal, Jeymi Blandon, Chuling Chen, Raquel Chuayffet, Angeliki Economopoulos, Huda Etushani, Benjamin Fosu, Cher Huo, Peter Mataruse, Mercy Pinargote, Delano Radgman, Walid Saifullah, Jared Saxton, Karen Toledo, Nomelie Veluz, and Zaijin Zhan. Other contributors are noted in the relevant sections.

## CONTENTS

Abbreviations and Acronyms	5
<b>SECTION I. OVERVIEW</b>	<b>7</b>
<b>SECTION II. MEDIUM-TERM CONTEXT</b>	<b>10</b>
A. Income and Budget	10
B. Sustained Demand	11
C. Operating Model	13
<b>SECTION III. FY25 DEVELOPMENTS</b>	<b>17</b>
<b>SECTION IV. FY26 ADMINISTRATIVE BUDGET</b>	<b>23</b>
A. Budget Overview	23
B. Budget by Output	26
C. Budget by Input Category	28
D. Budget by Department	29
<b>SECTION V. CAPITAL BUDGET</b>	<b>35</b>
A. FY25 Capital Spending	36
B. FY26 Capital Budget	37
<b>SECTION VI. RISKS</b>	<b>41</b>
<b>SECTION VII. SUMMARY PROPOSAL FOR FY26</b>	<b>43</b>
<b>BOXES</b>	
1. Supporting Strategic Allocation Decisions	8
2. Key Achievements in FY25	17
3. CD Funding and Budget/Spending Evolution	21
4. HQ2 Refresh	37
5. BTS Strategy	40

**FIGURES**

1. Global Policy Agenda	7
2. Net Administrative Budget and Outturn, FY00-26	7
3. Net Administrative Budget and Carryforward, FY13-28	10
4. Income and Expenses—FY08-30	10
5. Fund Financial Support FY08-25	11
6. UCT Credit Outstanding, 2008-2024	12
7a. Work Pressures—Overtime and Leave Usage	13
7b. Work Pressures—2024 Staff Engagement Survey	13
8a. Fund Staff by Funding Source	13
8b. Personnel Scale and Structure	14
9. FY25 Fund Field Presence	16
10. Vacancy Rates, FY20-25	18
11. Fund-Financed Travel	18
12. Fund-Financed Building, IT, and Other, FY23-25	19
13. Projected FY25 Spending by Output	20
14. Administrative Budget by Output, FY26	27
15. FY26 Change in Budget Allocations by Department versus FY25	31
16. Capital Spending, FY03-28	35
17. FY26 Budget Risks—Heatmap	42

**TABLES**

1. Administrative and Capital Budget Envelopes, FY25-28	9
2. Cybersecurity/Data Privacy Needs FY25-28	15
3. Budget Utilization, FY24-25	17
4. Receipts, FY24-26	19
5. Budget Envelope, FY25-26	24
6. FY26 Administrative Budget Space	24
7. Carryforward—FY26	26
8. Administrative Budget by Expenses, FY25-26	28
9. Fund-Financed Budget Adjustments by Department, FY25-26	32
10. FTE Changes by Department, FY25-26	33
11. Overall Budget and FTEs by Department, FY26	34
12. Real Capital Expenditures, FY24-25	36
13. Medium-Term Capital Budget, FY25-28	38
14. Estimated Capital Needs for Transformation Projects, Nominal, FY25-26	39
15. Enterprise Risk Self-Assessment for FY26-28 Medium-Term Budget	42
16. Proposed Appropriations, Financial Year 2026	44

**ANNEXES**

I. Budget Process Overview	47
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II. Selected Policy Reviews and Evaluations FY25 To-Date	49
III. Statistical Tables	52

## Abbreviation and Acronyms

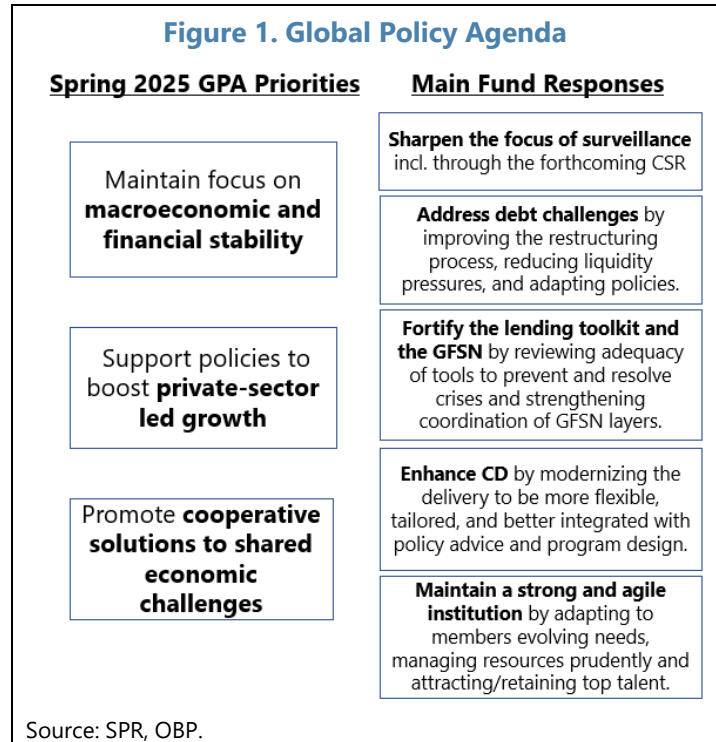
AD	Area Departments
AFR	African Department
APD	Asia & Pacific Department
BTS	Business Technology Strategy
CCAM	Caucasus, Central Asia, and Mongolia
CCAMTAC	Caucasus, Central Asia, and Mongolia Technical Assistance Center
CCBR	Comprehensive Compensation and Benefits Review
CD	Capacity Development
CDF	Capacity Development Fund-financed
CDEF	Capacity Development Externally financed
CDMAP	Capacity Development Management and Administration Program
COM	Communications Department
CSF	Corporate Services and Facilities Department
CSR	Comprehensive Surveillance Review
DIA	Deposit and Investment Account (DIA)
EUR	European Department
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
GFSN	Global Financial Safety Net
GPA	Global Policy Agenda
GRA	General Resource Account
HRD	Human Resources Department
ICD	Institute for Capacity Development
IEO	Independent Evaluation Office
IPAA	Interim Placement Administered Account
ISU	Internal Support
ITD	Information Technology Department
LEG	Legal Department
MCD	Middle East & Central Asia Department
MCM	Monetary and Capital Markets Department
MSG	Multilateral Surveillance, Global Cooperation and Standard Setting
MTB	Medium-Term Budget
NAB	Net Administrative Budget
OBP	Office of Budget and Planning
OED	Office of Executive Directors
OIA	Office of Internal Audit

ORM	Office of Risk Management
PFTAC	Pacific Financial Technical Assistance Centre
PRGT	Poverty Reduction and Growth Trust
RST	Resilience and Sustainability Trust
RES	Research Department
RTAC	Regional Training Assistance Center
SCS	Specialized Career Streams
SEC	Secretary's Department
SPR	Strategy, Policy, and Review Department
SRP	Staff Retirement Plan
STA	Statistics Department
TRM	Office of Transformation Management
BSL	Bilateral Surveillance and Lending
TFMF	Trust Fund Management Fee
WHD	Western Hemisphere Department



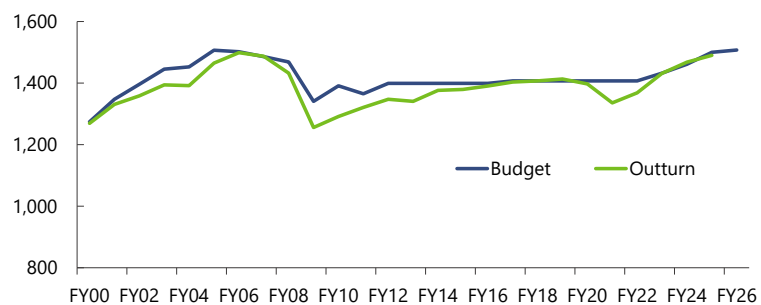
## SECTION I. OVERVIEW

**1. Context.** The FY26-28 Fund budget comes in the context of continued complexity in the global economic environment, driving sustained strong demand for Fund services by its global membership. As detailed in the [October 2024 WEO](#) and January [2025 WEO update](#), the global economy has proven resilient in the post-pandemic period, with inflation moderating, but with difference in growth and significant remaining uncertainty. The world economy is at a pivotal juncture amidst transformations in the economic landscape and shifting policy priorities around the world. The Spring GPA (forthcoming) sets out medium-term directions for the Fund, critical to ensuring that it continues to put its resources to the best service of the membership (Figure 1). In this context, it highlights the Fund's role in safeguarding macroeconomic and financial stability at the global and country level, supporting policies to boost private-sector led growth, and promoting cooperative solutions to shared economic challenges through policy advice, lending, and capacity development.



**2. Agile response.** Against this backdrop, the Fund will continue to emphasize prudent stewardship of members' resources, responding with agility to changing needs. While the complexity of the issues the Fund has been called on to address have increased over the years, the Fund's budget is roughly the same in real terms as it was two decades ago (Figure 2). This stems from the Fund's long tradition of budget prudence, with reallocation and savings at the Fund-wide and departmental level to reinforce alignment of resources with evolving institutional priorities, taking account of associated risks and focusing on member-facing activities (Box 1). A management-

**Figure 2. Net Administrative Budget and Outturn, FY00-26**  
(Millions of FY25 US dollars)



Source: OBP. Adjusted for Annual Meetings in FY04, FY07, FY10, FY13, FY16, FY19, and FY24. Projected outturn for FY25 and budget for FY26.

led streamlining review to rationalize internal processes and outputs is providing further support for these efforts, affecting both FY26 and expected medium-term allocations, as detailed below. Nonetheless, with elevated demands and execution rates high, the budget continues to require difficult tradeoffs.

### Box 1. Supporting Strategic Allocation Decisions

Budget formulation is a key component of the broader strategic decision-making process. The annual budget process is grounded in the Fund's overall strategic and operational priorities, taking account of guidance from the membership through the IMFC, reflecting the MD's Global Policy Agenda, and taking account of strategy, policy, operational, and risk reviews through the course of the year. A semi-annual Management-led accountability process with departments provides for a comprehensive discussion of objectives, resourcing, risks, and performance, feeding into subsequent prioritization in budget formulation. Periodic streamlining exercises to rationalize internal processes and outputs also support the effective alignment of the Fund's resources with strategic priorities.

In FY24, this process was further reinforced through a structured Executive Board strategic dialogue, allowing for a medium-term perspective on changing priorities. IEO recommendations have also reinforced the importance of linkages between strategy, resourcing, and risk considerations. Following this advice, the Fund is working to enhance:

- **Strategic decision-making.** A more structured framework for decision-making will bring together strategy, risk, and resource considerations by, first, defining high-level surveillance priorities and medium-term objectives in the Comprehensive Surveillance Review; next calibrating and costing core deliverables across all activities—surveillance, lending, and CD for specific initiatives; then considering related tradeoffs as part of the medium-term budget; and finally, updating related plans for specific initiatives to recognize resourcing decisions explicitly.
- **Strategic budget data.** Drawing on IEO findings, staff is building on a strong existing budget data framework to provide additional strategic information. Recent and ongoing efforts have focused on:
  - **Reporting.** Expanding the clarity, granularity timeliness of reporting, drawing on Board feedback. This means complementing existing data on budgets/spending by inputs, departments, and strategic outputs (e.g. bilateral surveillance, lending, CD), with additional strategic information that will help assess resource efficiency and identify pressure points.
  - **Costing.** Summarizing costing in strategy/policy work, including what gross needs can be met within the available resource base and what require additional funding. In this context, since FY24, the Board Work Program presents the costing of non-recurrent Board Work Program items to support understanding of their resource implications.
  - **Modernization.** Reinforcing end-to-end business processes and systems for budgeting, with several initiatives underway to, inter alia, address sizable legacy issues, support budget aspects of corporate projects (e.g. related to HR, CD and finance), and invest in solutions to address complex analytic and reporting needs.

### 3. Budget Changes (Table 1; Figure 3):

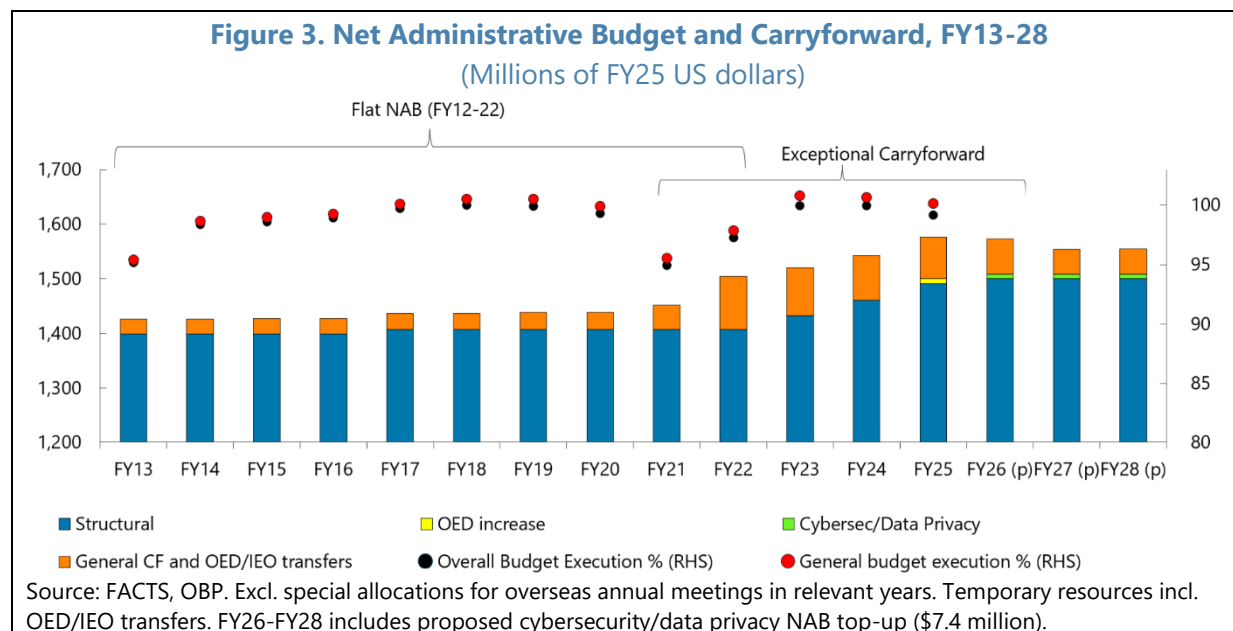
- **Net Administrative Budget:** The proposed FY26 NAB totals \$1,507.9 million in FY25 dollars, reflecting a proposed \$7.4 million top-up (0.5 percent of the NAB) for cyber-security needs, as detailed below.
- **NAB + temporary resources:** General structural and temporary administrative resources—excluding OED and IEO, the core funding for departmental activities—will decline \$3.4 million in FY26 to \$1,467.7 million in real terms, notwithstanding the proposed modest top-up for cyber-security. The decline is mainly driven by a further \$10.0 million unwinding of exceptional pandemic-related temporary carryforward space. A final \$12.5 million real decline in carryforward is programmed for FY27. With general NAB execution rates above 100 percent, this implies sustained budget pressure, requiring continued budget discipline and strong reprioritization.
- **Gross budget.** The FY26 gross budget is projected at \$1,937.0 million in FY25 dollars, up \$11.5 million, driven by a temporary OED carryforward increase (\$9.8 million), a \$4.2 million increase in budgeted donor resourcing, and a \$0.3 million projected increase in general receipts offset partially by the decline in general temporary resources.

**Table 1. Administrative and Capital Budget Envelopes, FY25-28**

(Millions of FY25 US Dollars, unless otherwise noted)

	FY25				FY26			FY27	FY28
	Structural	Temp	Total	Outturn (est.)	Structural	Temp	Total	Indicative Total Budgets	
<b>Gross Fund Financed</b>	<b>1,549.4</b>	<b>92.6</b>	<b>1,642.0</b>	<b>1,529.6</b>	<b>1,557.1</b>	<b>91.5</b>	<b>1,648.6</b>	<b>1,629.8</b>	<b>1,623.9</b>
Net admin budget	1,500.5	...	1,500.5	1,488.3	1,507.9	...	1,507.9	1,515.3	1,507.9
o/w Cyber-security Top Up	...	...	...	...	7.4	...	7.4	7.4	7.4
o/w Annual Meetings	...	...	...	...	...	...	...	7.3	0.0
General Receipts <sup>1</sup>	48.9	...	48.9	41.3	49.2	...	49.2	49.2	49.2
Carryforward limit	...	82.7	82.7	...	...	82.5	82.5	62.3	63.8
Other Temporary <sup>2</sup>	...	9.9	9.9	...	...	9.0	9.0	3.0	3.0
<b>Gross Externally Financed</b>	<b>275.9</b>	<b>7.5</b>	<b>283.4</b>	<b>240.8</b>	<b>280.1</b>	<b>8.3</b>	<b>288.4</b>	<b>281.7</b>	<b>279.9</b>
Receipts (largely CD-related)	275.9	...	275.9	240.8	280.1	...	280.1	273.3	271.7
Carryforward (limit)	...	7.5	7.5	...	...	8.3	8.3	8.4	8.2
<b>Gross admin envelope</b>	<b>1,825.3</b>	<b>100.1</b>	<b>1,925.4</b>	<b>1,770.4</b>	<b>1,837.2</b>	<b>99.8</b>	<b>1,937.0</b>	<b>1,911.5</b>	<b>1,903.8</b>
Capital <sup>3</sup>	121.9	...	121.9	126.4	128.8	...	128.8	132.2	137.9
<i>Memorandum items:</i>									
General NAB + Temp Envelope	1,395.5	75.7	1,471.2	1,397.8	1,402.9	64.8	1,467.7	1,451.4	1,447.2
General carryforward limit <sup>4</sup>	...	65.8	...	...	...	55.8	...	43.3	44.3
OED/IEO carryforward limit <sup>5</sup>	...	16.9	...	...	...	26.6	...	18.8	19.2

Source: OBP. <sup>1</sup> Incl trust fund fees, SRP admin, RST fees, revenues from publication, parking, and Concordia. <sup>2</sup> OED/IEO transfers above carryforward limits. <sup>3</sup> Reflects 3-year funding availability. <sup>4</sup> Excl OED/IEO. FY26 limit, 4 percent (5 percent in FY25). Indicative limits of 3 percent (FY27 and FY28). <sup>5</sup> Reflects temporary rise in OED limit in FY26.

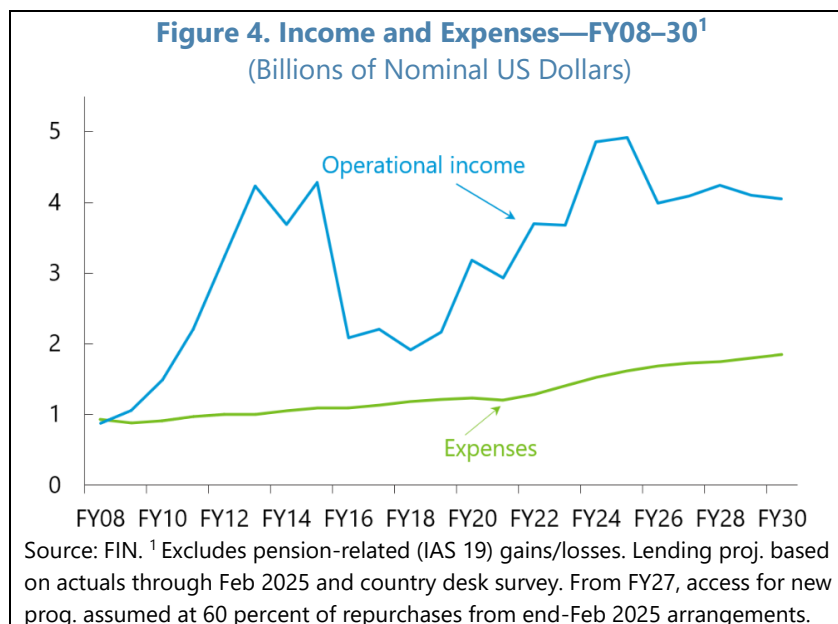


**4. Paper structure.** Section II sets out the medium-term budget context. Section III reviews budget execution of FY25 and Section IV details the proposed administrative budget for FY26. Section V presents the proposed FY26 capital budget. Section VI discusses budget risks and mitigation measures. Section VII presents FY26 proposed decisions.

## SECTION II. MEDIUM-TERM CONTEXT

### A. Income and Budget

**5. Income-budget dynamic.** Based on the Finance Department's income projections, the FY26–28 budget remains consistent with a projected surplus in the medium-term income position and precautionary balances above the medium-term target of SDR FY25 billion (Figure 4). Projected operational income remains above budget expenditures through the projection period. The Review of the Fund's Income Position



for FY25 and FY26 (forthcoming) will provide further analysis of the assumptions underpinning income projections.

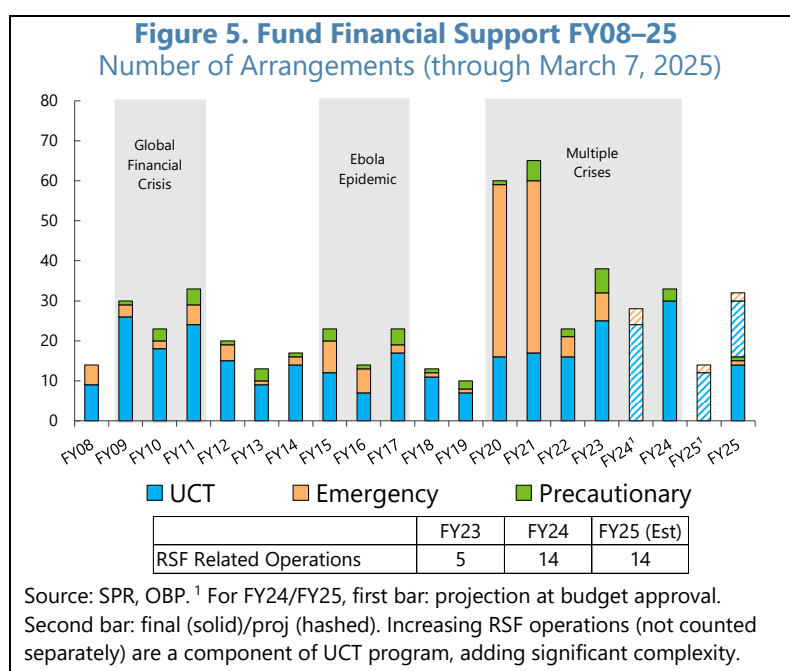
- The income projection reflects the [recent reforms to charges/surcharges](#), effective since November 1, 2024. Reimbursements to the GRA from the SDR department and the RST also contribute to income, with suspension of PRGT reimbursements through FY2031 also agreed as part of the [2024 PRGT review](#).
- As part of this PRGT Review, the Executive Board also endorsed a GRA transfer of SDR 6.9 billion (about \$9 billion) to the Interim Placement Administered Account (IPAA) from FY25 to FY29. The impact of the annual transfer is included in the income projections and is consistent with the pace of reserves accumulation projected at the time of the charges/surcharges reform approval.

## B. Sustained Demand

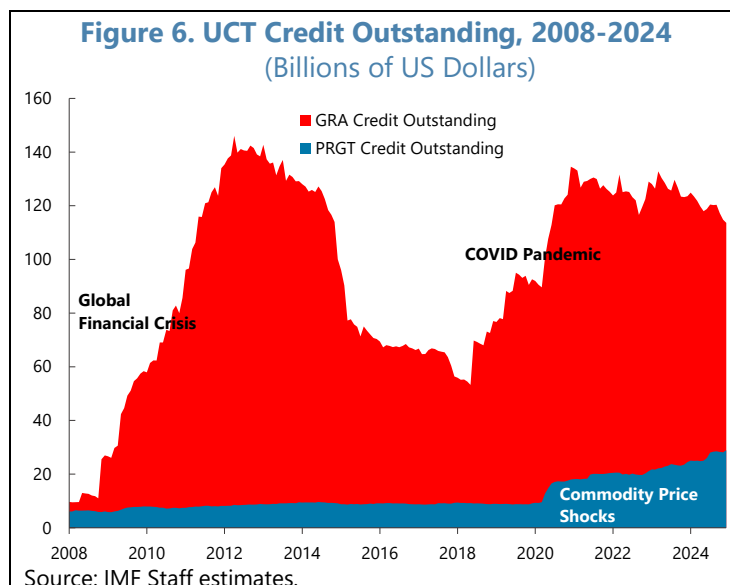
**6. Aligning resources with member needs.** Reflecting a complex global economic backdrop, Fund members are continuing to look to the Fund for increased support across the range of its operations. In this context, members continue to seek granular and tailored policy advice, building on more continuous engagement during the pandemic period, and driving sustained, high demand for both bilateral and multilateral engagement. This includes policy advice and CD in both traditional areas and on longer term challenges to support response to changing inflation dynamics, address fiscal needs and debt vulnerabilities, reinforce growth-friendly reforms, and mitigate heightened macro-financial risks. Work on longer term challenges has ramped up, with FY25 spending above expectations in some areas, reflecting a strong upfront effort to develop analytical tools, as well as broad-based coverage to complete initial diagnostics, and robust membership demand. In FY26, these activities are expected to be increasingly mainstreamed, reducing resource use in line with available resourcing.

**7. Sustained financial support.** Lending remains at historic highs in terms of both number and volume of arrangements (Figures 5-6). Ongoing demand is also expected to remain elevated.

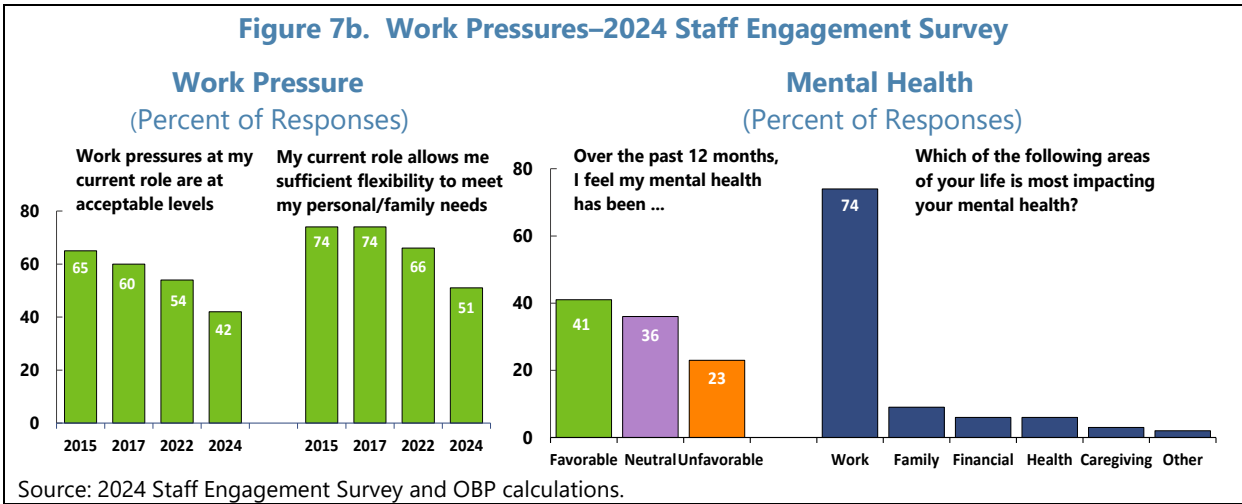
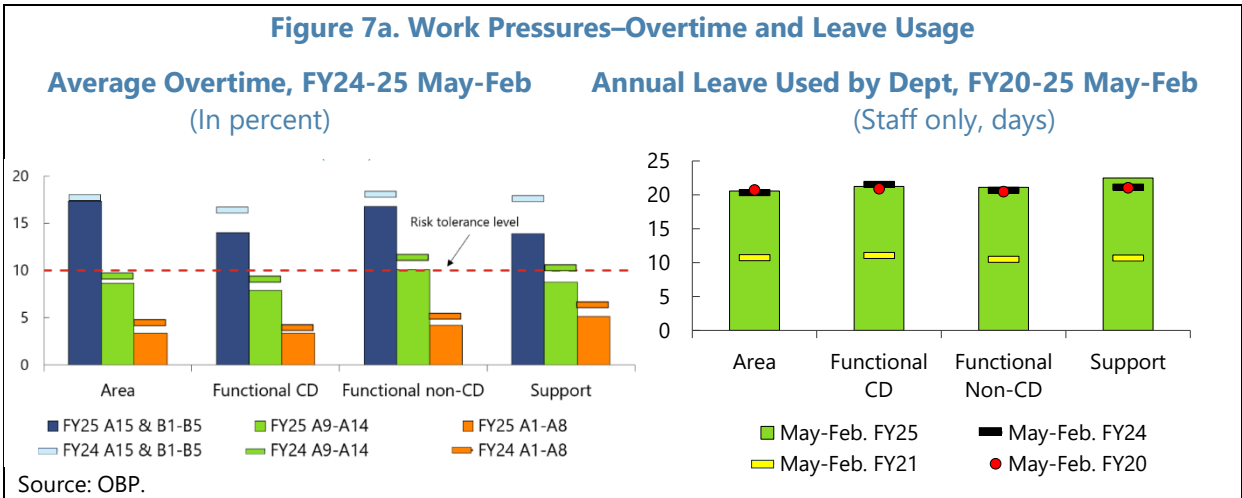
- Fifteen arrangements and one emergency operation were approved in FY25 through March 7, with 5 including an RSF component.



- In addition to the high scale of lending, current arrangements are characterized by increased complexity, in many cases involving debt issues and, as noted, RSF operations. This has contributed to the need for additional time and specialized support.
- Financing commitment totaled \$144 billion as of March 7, of which \$81 billion is associated with disbursing UCT-arrangements.
- Active requests could result in 14 additional UCT programs (9 envisaging an RSF component) and two emergency assistance operations in the remainder of FY25. These requests imply an additional \$9 billion in funding.
- Beyond the active requests noted above, there are currently 13 enquiries with a high likelihood of translating into requests in FY26. They include 12 potential UCT operations (4 with an RSF component) and one emergency operation. Based on the pattern in recent years, actual FY26 activities may be significantly higher, as additional requests come in. For example, the March 2024 projection included 12 UCT operations versus the 29 total possible UCT operations now projected. The baseline scenario in the Review of the Fund's Income Position for FY25 and FY26–2027 (forthcoming) also suggests program activity will remain elevated in FY26. The scenario reflects country desks' assessments of the likelihood of a program request based on knowledge of member countries' economic outlook, financing needs, and political landscapes.

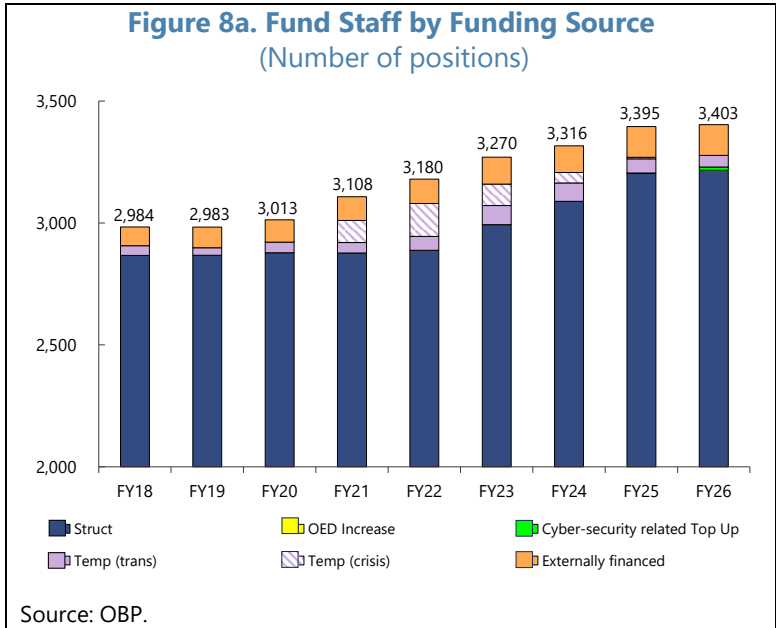


**8. Staff Work Pressures** (Figures 7a-b). Elevated demand has also contributed to staff work pressures. Reported overtime has declined from its 2021 peak (12.3 percent), albeit with pockets of still high overtime, particularly among senior staff. Leave indicators have also improved, returning to pre-pandemic levels. Nonetheless, the 2024 Staff Engagement Survey reinforced the importance of ongoing efforts to reduce work pressures, given its contribution to self-reported mental health concerns. Continued reprioritization and the ongoing management-led streamlining exercise are key to alleviating these pressures.

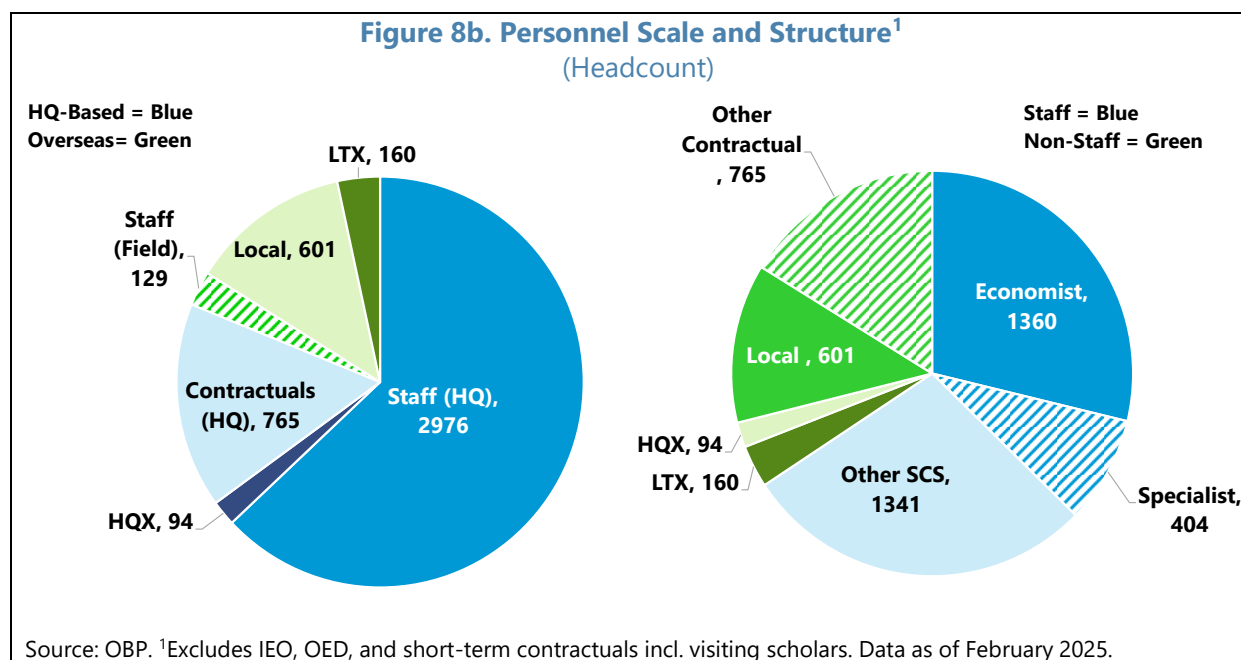


## C. Operating Model

**9. Overview.** The Fund is continuing to modernize and streamline its corporate structures to support core delivery for the membership. Challenges include the need to support expanded staff in headquarters and the field (Figures 8a-b), and to ensure that HR and operational policies and practices remain fit-for-purpose. At the same time, the Fund is working to address legacy underinvestment in technology and business processes efficiency, while beefing up risk and



control functions. As further detailed below, the Fund, like other organizations, will need to continue to invest in cyber-security, including related data privacy, in a fast-changing technology environment. At the same time, the Fund is continuing to evaluate its global footprint to better support close engagement with its membership.



**10. Cybersecurity/Data privacy.** ITD and STA have set out comprehensive strategies to reinforce cyber security and data privacy, supported by both administrative and capital investments to build out expertise, processes, and systems, taking account of related enterprise risks.

- The **proposed administrative top-up** would cover about one-third of related administrative expenses, supplementing existing resources and reducing dependence on temporary funding for structural needs.
  - Administrative resource needs include direct staff costs, as well as broader personnel, consultants and vendors. Additional funding needs are concentrated in FY26 (about 60 percent of the proposed million top-up). Related capital needs have been absorbed in the IT-intensive capital budget (Section V). FY25 funding (\$15.2 million) reflects an increase from about \$10 million in FY21 through reprioritization within ITD and temporary emergency funding from the central budget (\$2.2 million). The top-up would provide funding for 8 staff and 1 contractual on cybersecurity, and 5 staff equivalents and 1 contractual on data privacy—mainly replacing FY25 temporarily funded positions. It would also support some vendor-related needs. On the capital side, additional funding for cyber-related projects is to be met within the IT-intensive capital envelope that had been anticipated last year through reprioritization (Section V).



**Table 2. Cybersecurity/Data Privacy FY25-28**  
(Millions of FY25 US Dollars)

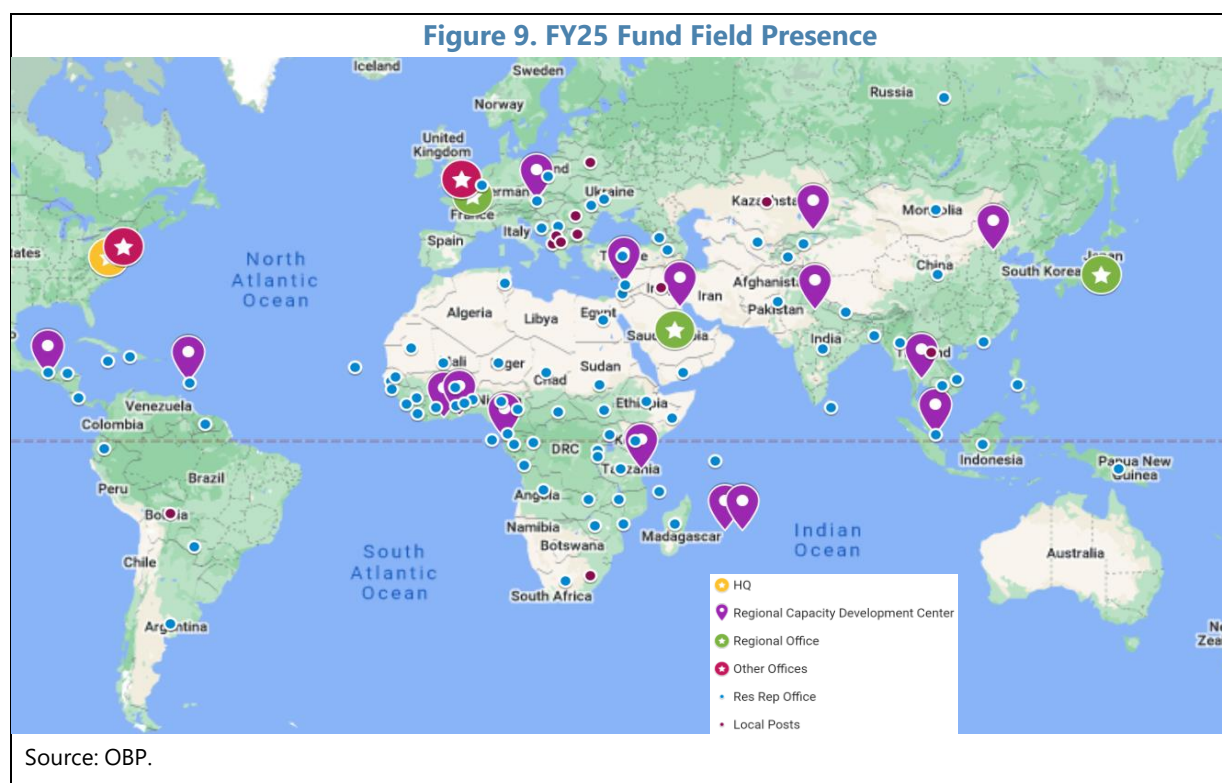
	FY25	FY26	FY27	FY28	Cumulative
<b>Administrative Budget</b>	<b>15.2</b>	<b>17.0</b>	<b>18.3</b>	<b>20.0</b>	<b>20.0</b>
<b>Cybersecurity</b>	<b>14.8</b>	<b>15.5</b>	<b>16.8</b>	<b>18.5</b>	<b>18.5</b>
Structural Budget	12.6	12.6	15.5	16.8	18.5
Top-up <sup>1</sup>	-	2.9	1.3	1.7	5.9
Staffing (Temporary) <sup>1</sup>	2.2	-	-	-	-
Staffing (Structural) <sup>1</sup>	-	2.2	0.0	0.0	2.2
Contractual/Vendor (Structural)	-	0.7	1.0	1.7	3.4
On-Premise Licenses (Structural)	-	-	0.3	-	0.3
<b>Data Privacy</b>	<b>0.4</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
Structural Budget	-	1.5	1.5	1.5	1.5
Top-up <sup>1</sup>	-	1.5	-	-	1.5
Staffing (Temporary) <sup>1</sup>	0.4	0.0	-	-	-
Staffing (Structural) <sup>1</sup>	-	1.0	-	-	1.0
Vendor/Support (structural)	-	0.5	-	-	0.5
<b>Total Structural Top-up</b>		<b>4.4</b>	<b>1.3</b>	<b>1.7</b>	<b>7.4</b>
	FY25	FY26	FY27	FY28	FY26-28
<b>Capital Budget <sup>2</sup></b>	<b>8.3</b>	<b>16.2</b>	<b>15.0</b>	<b>9.8</b>	<b>33.9</b>
<b>Cyber Security</b>	<b>6.7</b>	<b>13.2</b>	<b>15.0</b>	<b>9.8</b>	<b>30.9</b>
Total Direct Project	3.9	9.8	11.3	3.9	25.0
Previously Planned	1.7	9.7	5.8	1.7	17.2
Additional	2.2	0.1	5.5	2.2	7.8
Total Cloud (Recurrent)	2.8	3.4	3.7	5.9	5.9
Previously Planned (Recurrent)	2.6	-	-	-	2.6
Additional (Annual Increase)	0.2	0.6	0.3	2.2	3.3
<b>Data Privacy</b>	<b>1.6</b>	<b>3.0</b>	<b>-</b>	<b>-</b>	<b>3.0</b>
Direct Project (Previously Planned)	1.6	3.0	-	-	3.0

Source: ITD, OBP, and STA.<sup>1</sup> Staff resourcing provided on a temp basis in FY25 would be made structural in FY26. These FY25 temporary resources are not incl. in the top-up total. <sup>2</sup> For the capital budget, direct project costs are one-off; cloud costs are recurring.

- In the absence of the administrative top-up, difficult reductions in other IT and statistics-related activities would be required to make room for needed structural funding for these investments in the medium term. This would imply critical delays in broader initiatives under the BTS to address legacy underinvestment in core systems, establish foundational AI capabilities, and to furnish technology-supported tools for economics analysis. Serious delays would also be expected in ongoing work to improve data systems and related governance as part of a broader agenda to reinforce alignment of the Fund's data processes with best practices.

**11. Global Footprint** (Figure 9). The Fund's global presence has increased over the past 15 years, driven partially by the expansion of CD activities.

- Overall, field positions increased by about 35 percent to 287 staff, 163 field-based LTXs, and 595 local staff at end-FY24, about a quarter the size of HQ personnel. The number of field offices has also grown to 121 at end-FY24 from 99 in FY10, including 104 resident representative, regional, and other offices, and 17 RCDCs at end-FY24.
- Greater field presence has strengthened the Fund's engagement with its members and improved the traction in the Fund's work, but also requires support for facilities, security, IT, and financial and HR management, with ongoing work by relevant departments to ensure continued efficiency in overseas operations.



## SECTION III. FY25 DEVELOPMENTS

**12. FY25 Achievements** (Box 2). The Fund continues to provide agile support to members across surveillance, lending and CD activities, with significant work to update its governance and financing framework and modernize its support functions.

**13. Utilization by Input Category** (Table 3). FY25 utilization of the general structural budget (excluding OED/IEO) is projected to remain above 100 percent, reflecting still significant temporary resourcing. With OED/IEO, utilization is expected to fall to 99.2 percent (100.0 percent in FY24), reflecting the FY25 increase in OED budgets.

- **Personnel** (Figure 10) is the main driver of execution above the structural budget. Relative to FY24, utilization above the structural budget is projected to decline slightly, reflecting reduced allocation of positions funded with temporary resources beyond the structural baseline.

### Box 2. Key Achievements in FY25

#### Country Operations:

- Financing to 50 countries (incl. 32 LICs)
- 23 RSF operations approved, 14 in train
- 137 Article IV consultations, 9 FSAPs concluded
- 174 countries/territories received CD

#### Multilateral Surveillance

- G20 reports and background notes
- Supporting collective discussion of key developments

#### Policy/Analytical

- Analytical work on range of traditional and emerging priority topics
- New models, including global dynamic network models
- Financial platforms, digital payments, BCP

#### Fund Governance and Finance

- PRGT Review
- Review of charges and the surcharge policy
- Review of the access limits

#### Internal Support

- BTS-related modernization of systems including cybersecurity ramp-up, launch of AIDA, and Copilot Chat, and LS Translate. Facilities work on new office standards, and support for field offices.
- Overseas Staff Handbook; Career Hub; 2024 Pulse Survey.

**Table 3. Budget Utilization, FY24-25<sup>1</sup>**  
(Utilization in percent)

	FY24			FY25		
	Fund-financed	Externally financed	Total	Fund-financed	Externally financed	Total
<b>Total Net</b>	<b>100.0</b>	<b>...</b>	<b>100.0</b>	<b>99.2</b>	<b>...</b>	<b>99.2</b>
Personnel	101.7	91.2	100.3	101.0	87.5	99.1
Travel	96.5	74.9	87.6	91.4	87.2	89.6
Buildings/IT/Other	98.5	80.3	97.1	98.0	85.6	97.1
Contingency	...	...	...	...	...	...
<b>Receipts</b>	<b>89.6</b>	<b>87.4</b>	<b>87.7</b>	<b>84.5</b>	<b>87.3</b>	<b>86.9</b>
<b>Total Gross</b>	<b>99.6</b>	<b>86.2</b>	<b>97.7</b>	<b>98.7</b>	<b>87.3</b>	<b>97.0</b>

#### Memorandum items:

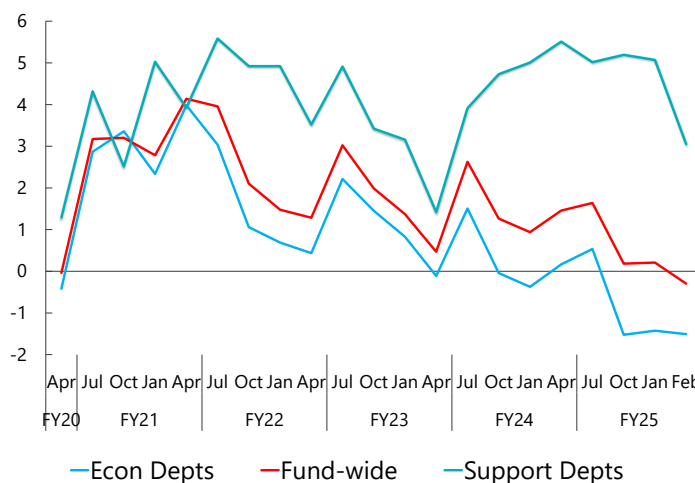
General	100.6	...	100.6	100.2	...	100.2
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Source: OBP.<sup>1</sup> FY25 Gross Admin Envelope is \$1,925 million. Utilization of net budget above 100 percent reflects inclusion of all spending (structural and temporary) relative to the structural budget.

Overall vacancies (covering both structural and temporary positions) increased at the start of the fiscal year with new positions authorized. Full-year vacancies are projected to be negative in economic departments and overall given some pre-hiring early in the year.

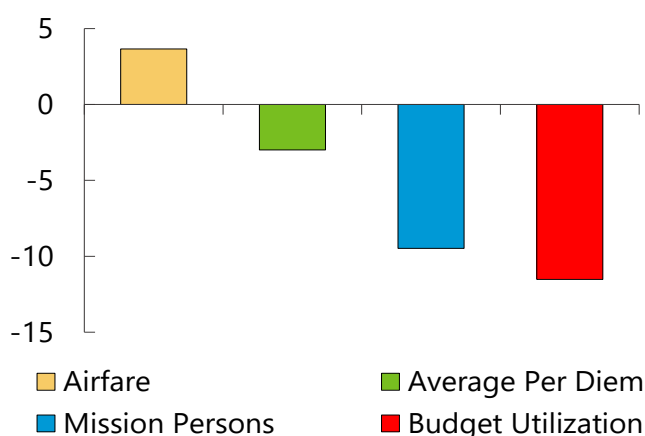
- **Travel** (Figure 11). Fund-financed travel expenditure has slowed relative to FY24, currently projected at 91 percent versus 97 in FY24. This slowdown reflects in part use of these resources to balance overages in other categories, as departments adapt to new resourcing levels.
  - Average ticket prices have risen slightly and remain 41 percent above precrisis levels. Per diem costs have declined, driven by exchange rate movements, and mission volume has declined by about 11 percent.
  - Externally financed travel utilization is projected to reach 87 percent (75 percent in FY24) with ongoing recovery to precrisis levels.
- **Buildings, IT, and other expenditures** (Figure 12). Fund-financed spending in these areas is at similar levels relative to last year. Lower-than-budgeted spending in facilities and printing/subscriptions is partially offset by increased execution for other vendor services, hybrid meetings support, and Annual Meetings support. Spending

**Figure 10. Vacancy Rates, FY20-25**  
(In percent of approved positions)

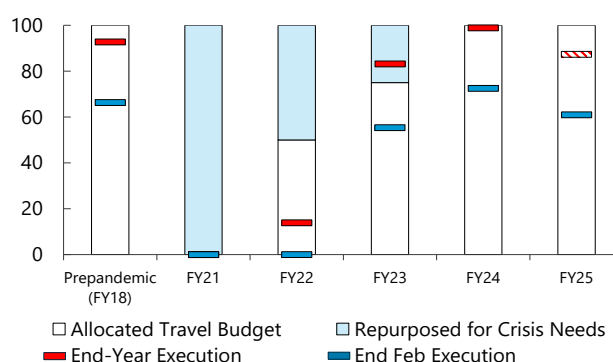


Source: OBP.

**Figure 11. Fund-Financed Travel**  
(Change, May-Dec Avg FY24-FY25, in percent)



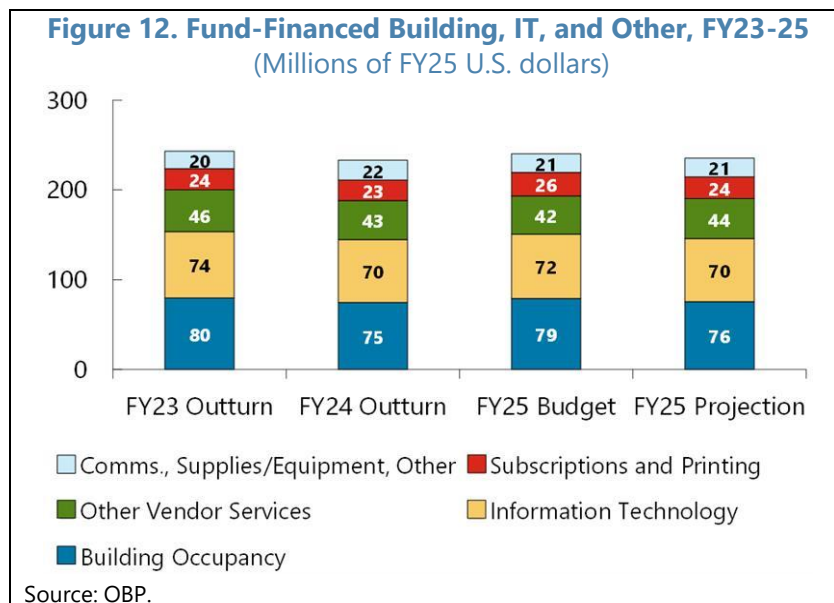
(In percent of structural budget)



Source: OBP.

continues to reflect better alignment of IT contractual resources. Security spending remains broadly unchanged from last year.

- **Receipts.** Receipts are projected to increase in FY25, driven mainly by external funding (Table 4).
  - Increased external receipts in FY25 are driven by a slightly higher limit. Utilization will remain broadly unchanged from last year at 87 percent.
  - For general receipts, notwithstanding a slight increase in budget, outturn is projected to remain similar to last year, with some change in composition. Higher Trust Fees associated with higher donor funding are expected to be offset by shortfalls in revenue from parking fees and the Concordia.



**Table 4. Receipts, FY24-26**  
(Millions of FY25 U.S. dollars)

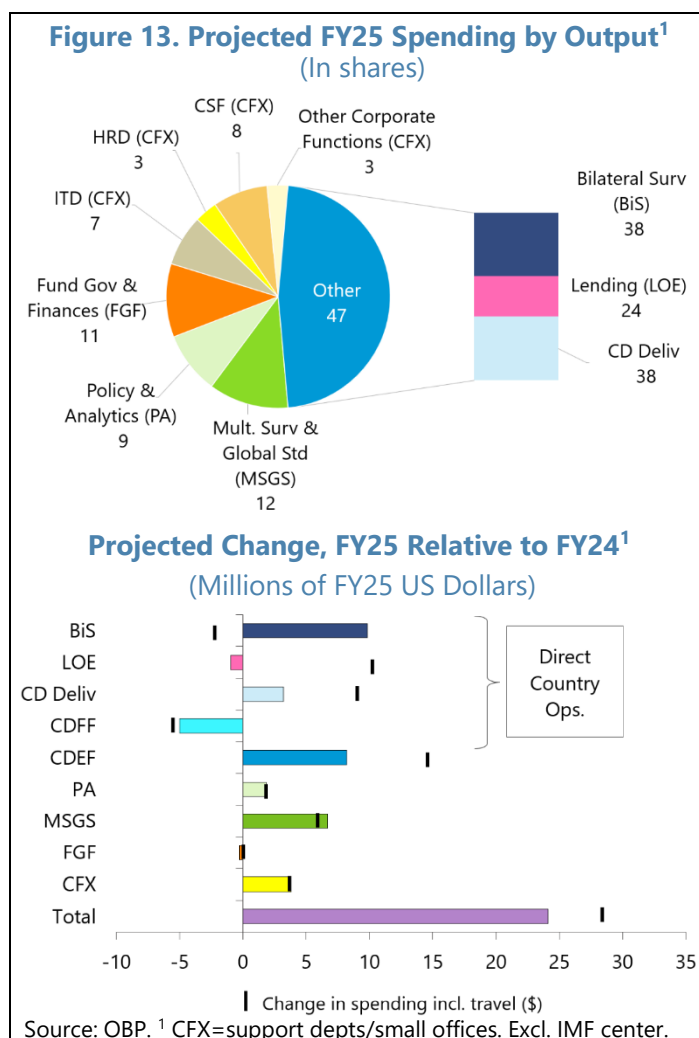
	FY 24			FY 25			FY 26	Change (units) FY25-26
	Structural Budget	Outturn	Utilization (percent)	Structural Budget	Proj. outturn	Proj. utilization (percent)	Proposed Budget	
<b>Total</b>	<b>307.1</b>	<b>269.3</b>	<b>87.7</b>	<b>324.8</b>	<b>282.1</b>	<b>86.9</b>	<b>329.3</b>	<b>4.5</b>
Externally financed CD (direct cost)	260.8	227.8	87.4	275.9	240.8	87.3	280.1	4.2
General receipts	46.3	41.5	89.6	48.9	41.3	84.5	49.2	0.3
Trust Fund Fees	13.9	15.9	114.5	16.9	16.9	99.9	17.1	0.2
SRP Administration	10.1	6.7	66.6	10.9	6.5	59.6	10.9	0.0
RST Mgt Fee	5.3	5.3	100.0	5.3	5.3	100.0	5.3	0.0
Concordia	4.3	3.5	82.9	4.3	3.4	80.1	3.2	-1.0
Proposed PRGT Inv Fee	0.0	0.0	0.0	0.0	0.0	0.0	2.3	2.3
Sharing agreements <sup>1</sup>	4.0	2.9	71.3	3.0	3.0	99.3	3.0	0.0
Parking	3.3	2.2	67.2	3.3	2.1	64.3	2.1	-1.1
HQ2 lease <sup>2</sup>	1.4	1.5	106.1	1.4	1.4	98.2	1.4	0.0
Other <sup>3</sup>	4.0	3.5	85.3	3.7	2.6	70.5	3.7	0.0

Source: OBP. <sup>1</sup> Reimbursements principally from the World Bank. <sup>2</sup> Incl. Credit Union and retail tenants. <sup>3</sup> Incl. Corporate, Travel, P-cards, rebates/bonuses, and publications income.

- Proposed changes in FY26 receipts are highlighted, including a temporary increase in the externally funded CD limit (reflecting one-off factors) and a small increase in general receipts. Budgets for parking and Concordia revenue have been reduced to align with actual experience. FIN and LEG will also propose a PRGT fee to recover the increased administration costs of investments in the Deposit and Investment Account (DIA) and the Long-Term Investment Account (LTIA) reflecting increased volume and complexity of these investments following the recent reforms. A forthcoming paper, Proposal for a Fee to Recover the Increased Administrative Costs related to PRGT Investments, by FIN and LEG will detail this proposal.

**14. Spending by Output.** Change data for real spending by output area is provided with and without travel to isolate underlying activity, given ongoing travel recovery following the pandemic. FY25 real direct spending, is projected to increase for most output areas, with the total increase projected at \$24 million excluding travel (\$28 million including), or 1.5 percent and 1.7 percent, respectively (Figure 13). Bilateral and multilateral surveillance and CD have the highest projected growth. Travel changes derive mainly from externally funded activities, with Fund-financed travel projected to be down slightly.

- Direct country engagement.** Spending on direct country operations is expected to grow, driven by increased work on surveillance and CD direct delivery (with work on lending already elevated). This reflects more continuous policy dialogue, increased granularity and work on longer term challenges. Modest growth in overall CD direct delivery is driven by externally funded operations, that are roughly matched by reduced Fund-financed CD direct delivery (reversing increases during FY24 but remaining significantly above levels prior to the recent augmentation). This change in the levels of Fund-financed CD in FY25 is driven by FAD, MCM and STA, with FAD and MCM seeing increases in IMF02 spending levels.





### Box 3. CD Funding and Budget/Spending Evolution

**FY25 Projected Spending.** Overall CD spending, including related corporate overheads, is expected to increase by \$3 million (0.5 percent) in FY25 to \$548 million. This reflects higher execution of IMF02 budgets, with continued recovery in the post-pandemic period, albeit with a dip in execution of Fund-financed CD.

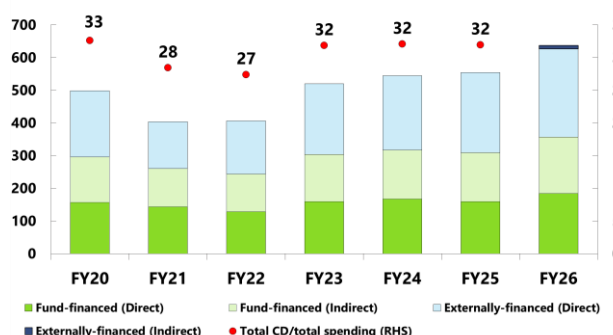
**Funding source.** The ratio of overall Fund/external spending is projected at 56/44 in FY25; or 39/61 for direct costs (travel, analytics, and management and administration, excluding Fund-wide overheads).

**FY26 budget.** The overall envelope is programmed by departments to increase by 0.8 percent in real terms year-on-year to \$455 million in FY25 dollars. This includes a \$4.2 million (1.5 percent) one-off increase in external resources and a \$0.7 million (-0.4 percent) decline in Fund-financed resources.

**Projected spending by Outputs in FY25.** CD spending is projected to remain about 1/3 of the Fund budget.

- Direct spending (excluding Fund-wide overheads) is expected to reach \$398 million in FY25 (73 percent of total CD spending). Externally financed CD is projected to reach \$241 million and Fund-financed direct spending \$157 million. Fund-financed utilization has declined while externally financed utilization remains the same as FY24.
- Direct delivery represents about 46 percent of overall CD, with about 73 percent of this delivery externally funded.
- Analytics/tool development (6 percent of total) and management/administration (19 percent) are more heavily funded by Fund resources (57 percent and 66 percent, respectively).
- Indirect costs of the CD, at \$150 million, represent about 27 percent of total CD costs (consistent with the overall ratio of corporate functions in Fund spending) and are generally Fund financed.

**CD Spending by Funding Source – FY20-26<sup>1</sup>**  
(In Millions of FY25 US dollars)



Source: OBP. <sup>1</sup> Direct = delivery, travel, analytics, mgt/admin. Indirect = HR, IT, facilities, Fund governance. Projection for FY25 and budget for FY26.

**CD Utilization and Share of Spending**  
(percent)

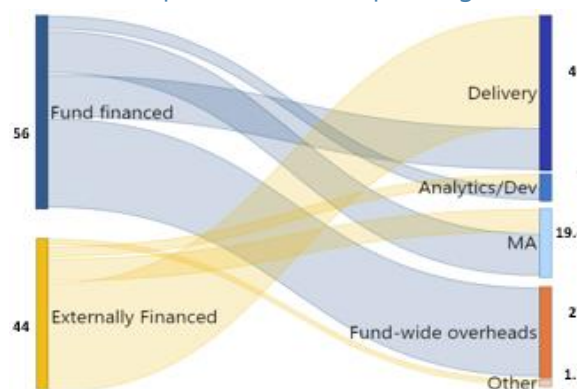
Utilization	FY24	FY25p
Total	93	89
Fund Financed	102	92
Externally Financed	87	87

Shares (FF/EF)	FY24	FY25p
Overall	59/41	56/44
Direct	43/57	39/61

Source: OBP.

**FY25 Projected CD Spending – Funding and Outputs**  
(In percent of total spending)



Source: ICD, OBP, and staff estimates.

### Box 3. CD Funding and Budget/Spending Evolution (concluded)

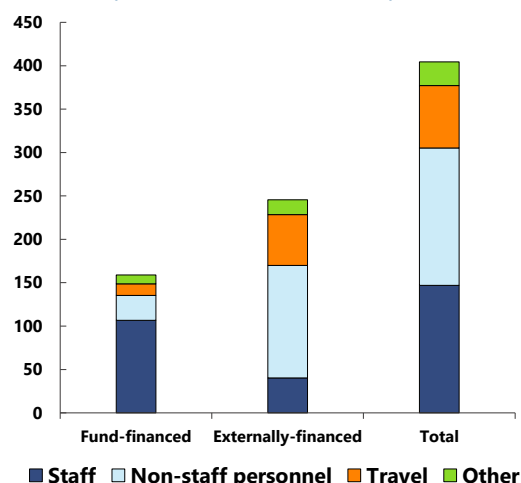
**Spending by input.** Personnel costs remained the largest component of direct CD spending (about  $\frac{3}{4}$  of the total). Fund-financed CD activities are mainly conducted by staff, while external financed personnel are mainly short-term and long-term experts and contractual staff, consistent with the more uncertain nature of external financing.

**Distribution by Workstream.** CD delivery will continue to focus on traditional areas—public finances, monetary policy and financial system, statistics, macro-frameworks and legal frameworks—with public finance and legal frameworks expected to increase their shares in total CD.

**Distribution by Delivery Department.** FAD and ICD continued to have the largest CD budgets, with the latter providing both delivery and corporate CD services (strategy/coordination; fundraising; fiduciary oversight). FAD has the largest share of total delivery.

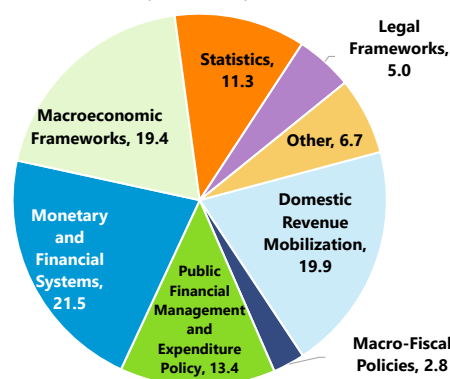
**Distribution by Region.** FY26 CD budget shares will increase in MCD and WHD relative to FY25. This increase in MCD is supported by contributions from Saudi Arabia, while the increase in WHD involves an envisaged pilot training program in the region.

**FY25 Projected Direct CD Spending by Input**  
(In million FY25 dollars)



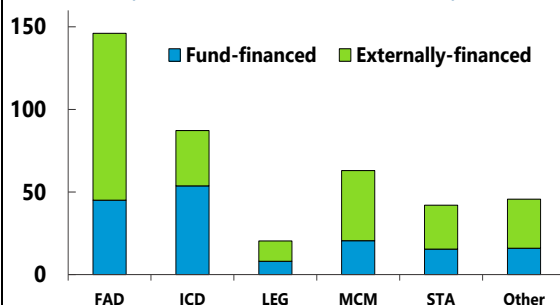
Source: OBP, staff estimates.

**FY25 Projected Delivery by Workstream**  
(Percent)



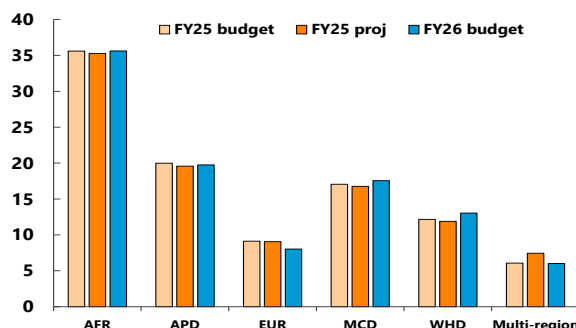
Source: ICD, OBP.

**FY25 Projected CD Direct Spending by Delivery Dept**  
(In millions of FY25 dollars)



Source: OBP.

**CD Delivery by Region**  
(percent of total delivery)



Source: ICD, OBP.



- **Multilateral surveillance and global cooperation** are expected to grow, albeit with lower travel than FY24. Work has focused on development and operationalization of models, including on new global dynamic network models, for scenario analysis in multilateral/bilateral surveillance, Global Sovereign Debt Roundtable (GSDR), Deputies-level Trade Dialogue, multilateral support for country work, and governance and financing reform.
- **Policy and analytical work** is projected to rise slightly. Key FY25 initiatives include work on debt policy reforms and longer-term policy issues, IPF implementation, implementation of the CD Strategy and strategic CD funding roadmap, medium-term strategic work, reviews of the charges and the surcharge policy, of access limits and of the PRGT. Analytical work focused on fiscal policy and sovereign debt, trade and industrial policies, structural reforms, financial stability, and foreign exchange intervention (FXI).
- **Fund governance and finance** work is projected to grow modestly from already heightened levels, with reduced travel relative to FY24. Funding supported work on implementing the 16th General Review of Quotas, engagement on quota review, the replenishment of the PRGT, and the addition of the 25th Board chair.
- **Corporate functions.** Spending is projected to grow overall, with travel flat. Work in this area has focused on modernization and implementation of the Business Technology Strategy, space optimization and updates in both HQ and the field, enhancements to the ERM framework and broader corporate governance and controls, and ongoing work on HR modernization, staff engagement, and safeguards.
- **Externally financed spending** (mainly CD) is projected to increase by \$13 million to about \$241 million, with utilization of 87 percent (\$35 million below the budget limit), mainly reflecting higher delivery and travel utilization.

## SECTION IV. FY26 ADMINISTRATIVE BUDGET

### A. Budget Overview

**15. Overview.** As noted, the real net administrative budget is proposed to increase by 0.5 percent based on a top-up to support cyber-security related needs, albeit with the general NAB plus temporary resourcing declining in real terms by 0.2 percent (-\$3.4 million). Overall real gross administrative resourcing will increase by 0.6 percent (Tables 1 and 5). The budget rebalances activities to increase direct country support. It includes a structural reduction for some functional departments, while increasing structural resourcing for area departments, although with a modest net resource impact due to the needed reduction in temporary positions. Reduced temporary resourcing also affects resourcing for support departments and small offices.

- The FY26 **deflator** will be 2.9 percent, based on actual average U.S. CPI for calendar year 2024, under the updated methodology established in Annex III of the [FY24-26 Medium-Term Budget](#).

- **Salary/Deflator dynamics.** Overall salary dynamics imply a net positive impact. Consistent with Board guidance, this positive differential will be added to the structural salary reserve, for use in years where there is a negative differential, recognizing lags and uncertainty in underlying cost dynamics. Also, consistent with agreements under the CCBR, no space for HR competitiveness measures is created in FY26.

**Table 5. Budget Envelope, FY25-26**  
(Millions of US Dollars)

	FY26 Proposal						Total FY25-FY26 change			
	Real			Nominal			Real		Nominal	
	Structural	Temp	Total	Structural	Temp	Total	Units	Percent	Units	Percent
<b>Gross Fund Financed</b>	<b>1,557.1</b>	<b>91.5</b>	<b>1,648.6</b>	<b>1,602.3</b>	<b>91.5</b>	<b>1,693.8</b>	<b>6.6</b>	<b>0.4</b>	<b>51.8</b>	<b>3.2</b>
Net administrative budget	1,507.9	...	1,507.9	1,551.7	...	1,551.7	7.4	0.5	51.1	3.4
o/w Cyber-security related Top Up	7.4	...	7.4	7.6	...	7.6	...	...	...	...
General Receipts <sup>1</sup>	49.2	...	49.2	50.6	...	50.6	0.3	0.7	1.7	3.6
Carryforward limit	...	82.5	82.5	...	82.5	82.5	-0.3	-0.3	-0.3	-0.3
Other Temporary <sup>2</sup>	...	9.0	9.0	...	9.0	9.0	-0.9	-8.7	-0.9	-8.7
<b>Externally Financed</b>	<b>280.1</b>	<b>8.3</b>	<b>288.4</b>	<b>288.2</b>	<b>8.3</b>	<b>296.5</b>	<b>4.9</b>	<b>1.7</b>	<b>13.1</b>	<b>4.6</b>
Receipts (largely CD-related)	280.1	...	280.1	288.2	...	288.2	4.2	1.5	12.3	4.5
Carryforward (limit)	...	8.3	8.3	...	8.3	8.3	0.8	10.1	0.8	10.1
<b>Gross administrative envelope</b>	<b>1,837.2</b>	<b>99.8</b>	<b>1,937.0</b>	<b>1,890.5</b>	<b>99.8</b>	<b>1,990.3</b>	<b>11.5</b>	<b>0.6</b>	<b>64.8</b>	<b>3.4</b>
<b>Capital<sup>3</sup></b>	<b>128.8</b>	<b>...</b>	<b>128.8</b>	<b>132.5</b>	<b>...</b>	<b>132.5</b>	<b>6.9</b>	<b>5.7</b>	<b>10.6</b>	<b>8.7</b>
Memorandum item:										
General NAB + Temporary Envelope	1,402.9	64.8	1,467.7	1,443.6	64.8	1,508.4	-3.4	-0.2	37.2	2.5
Fund deflator	2.9									

Source: OBP. <sup>1</sup> Includes trust fund fees, SRP admin, RST fees, revenues from publication, parking, & Concordia. <sup>2</sup> OED/IEO transfers above carryforward limits. <sup>3</sup> Reflects 3-year funding availability.

**16. Budget space** (Table 6). This calculation sets out the scale of new/freed-up resources available to support new/expanded activities, taking account of changes in temporary space.

- **Top-up.** A modest increase in structural resourcing from the proposed top-up would support targeted activities related to cybersecurity and data privacy, as detailed in Section II. These structural resources would mainly fund activities in ITD and STA, with small allocations for LEG and HRD.
- **Other structural resources.** Projections for receipts include a proposed new investment fee linked to more complex requirements for PRGT-related investment operations following recent reforms. FIN/LEG will be

**Table 6. FY26 Administrative Budget Space**  
(Millions of FY25 US dollars)

	(Percent of NAB)	
	Overall	
<b>Structural budget space</b>	<b>88.1</b>	<b>5.9</b>
Cyber-security related Top Up	7.4	0.5
Dept. Savings/Reprioritization	76.8	5.1
Gross departmental savings	76.8	5.1
o/w Structural shifts	2.6	0.2
Other structural resources <sup>1</sup>	3.8	0.3
<b>Net change in temporary space</b>	<b>-5.7</b>	
<b>Structural + temporary change</b>	<b>82.3</b>	<b>5.5</b>
Memorandum items:		
Allocated general carryforward	28.1	1.9
Unallocated general carryforward	27.8	1.8
OED/IEO transfers <sup>2</sup>	9.0	0.6

Source: OBP. <sup>1</sup> Includes changes related to receipts and CCE. <sup>2</sup> Projected transfers from IEO/OED excess underspend.

providing the Board with additional details shortly. Other sources relate to modest gains from strengthened administration of chargebacks.

- **Structural Reprioritization/Savings by departments.** As in the past, the key contributor to new space is departmental reprioritization and savings. As part of the annual budget formulation process, departments have identified about \$76.8 million in structural savings/reprioritization (5 percent of the FY25 NAB), that will fund shifts in activities both within and between departments.
  - Reprioritization/savings include reallocation of resources with completion of various policy reviews and reform initiatives; reduction in the scale of other outputs (including analytical projects; TA notes; and blogs) and preparatory materials (e.g., briefings); cost reduction initiatives; and consolidation of some field offices. Departments have also scaled down travel volumes, with further reliance on virtual engagement. Reprioritization also reflects streamlining of interdepartmental collaboration, including review, as well as internal services and administrative processes. In terms of interdepartmental shifts, a modest structural reduction for some functional departments will fund central needs and a bump up in structural resourcing for direct country work in Area Departments, albeit with modest net resourcing due to the needed reduction in temporary positions.
  - In addition to department-specific efforts, a management-led streamlining review is underway to consider further cross-cutting opportunities for savings, to be finalized before the end of FY25. The review seeks to further rationalize Fund-wide policies, outputs, and processes based on suggestions provided by departments, and is guided by the principle of maximizing value provision to the membership. It will yield two categories of proposals. First, a set of measures under the purview of management or departments that can be implemented in the short term. Most of these measures will seek further efficiencies in day-to-day work practices and business processes and rationalize some outputs and activities assessed to be of lower relative value. Measures in this category include clarifying expectations about the coverage of macro-critical structural issues and the extent of analytical work in bilateral surveillance; some streamlining of multilateral and regional surveillance products; procedural steps to strengthen quality control and reduce the volume of other external publications and internal communications products and events; and steps to make the internal review process more agile and less burdensome, without loss of rigor and candor, including through the simplification of clearance processes. In addition, the review will identify proposals for policy changes and measures that require further study, resources and/or Board approval, and will thus be considered and implemented with some lag. This second category includes, for example, proposals to streamline bilateral surveillance requirements and cycles, to be discussed in the context of the comprehensive surveillance review (CSR); possible efficiencies in the delivery of financial sector assessments, to be explored in the forthcoming FSAP review; a comprehensive stock-taking and review of Fund-internal committees and working groups, with the aim of rationalizing them; and possible steps to optimize the use of resources dedicated to the Fund's field presence. Implementation of measures identified in the streamlining review is expected to commence

over the course of FY26 and would continue into the medium term. Savings from this exercise are difficult to quantify at this stage and will accrue gradually with progressive implementation of the measures, but should already contribute to some easing of work pressures in the near term. Staff will continue to engage the Board on progress through upcoming strategic and budget engagements, taking on board input on specific aspects and policy changes that will require Executive Board approval (e.g., in the context of the CSR, FSAP review etc.).

- **General Carryforward** (Table 7). In line with continued, gradual reduction in the general carryforward limit to the historic norm of 3 percent by FY27, the FY26 budget proposes a limit of 4 percent (versus 5 percent in FY25 and a high of 8 percent in FY22). This measured reduction in the carryforward limit recognizes, on the one hand, the challenging global environment and elevated demands on the Fund, and, on the other, the need to avoid prolonged dependency on one-off resources and execution above the structural budget. The short-term effect of this unwinding is a reduction in overall budget space for departments.

<b>Table 7. Carryforward—FY26</b> (Millions of FY25 US dollars)	
<b>Carryforward</b>	
General (Excl. OED/IEO)	55.8
Allocated FY26	28.1
Reserve FY27/28	27.8
Memorandum items:	
Overall FY26 <sup>1</sup> (ceiling)	82.5
General FY25 (ceiling)	65.8
Source: OBP, IEO, and OED. <sup>1</sup> Incl. estimated IEO/OED limits, subject to separate decisions.	

- Gross temporary savings includes substantial unwinding of temporary economic, legal, and finance positions put in place in response to the pandemic, as well as reduction in corporate funding, linked to completion of specific modernization-related activities and expected wind-down of start-up resourcing for risk and governance work. A portion of these reductions have been reallocated across departments and to reinforce central buffers, with additional unwinding expected next year.

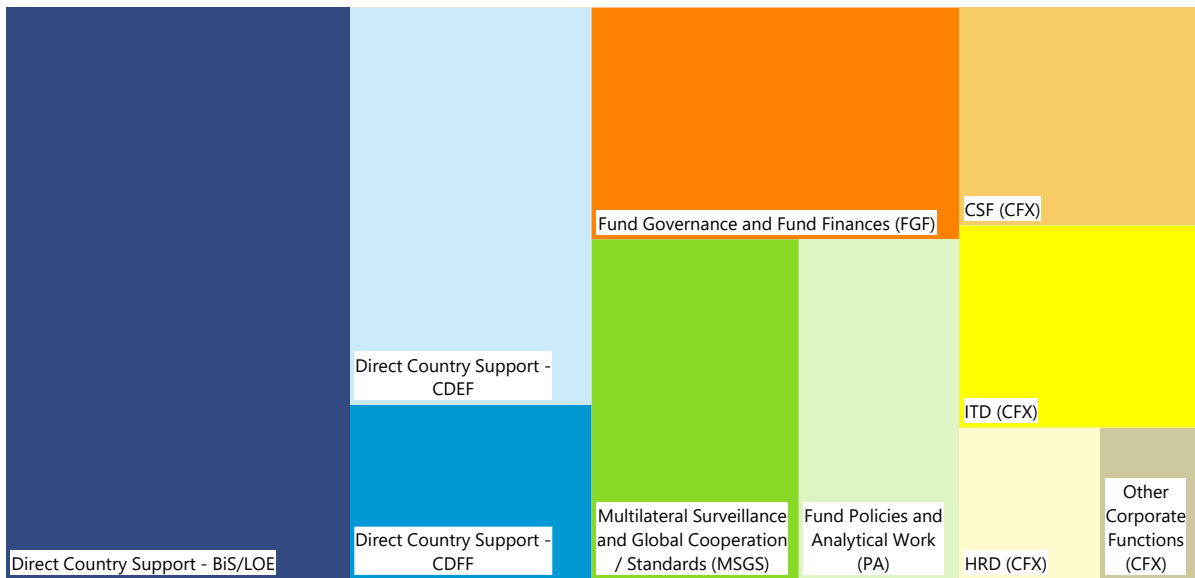
## B. Budget by Output

**17. Budget by Output Area** (Figure 14). This section focuses on real FY26 Fund- and externally financed direct budget changes in key output areas, reflecting savings and new allocations requested by departments.

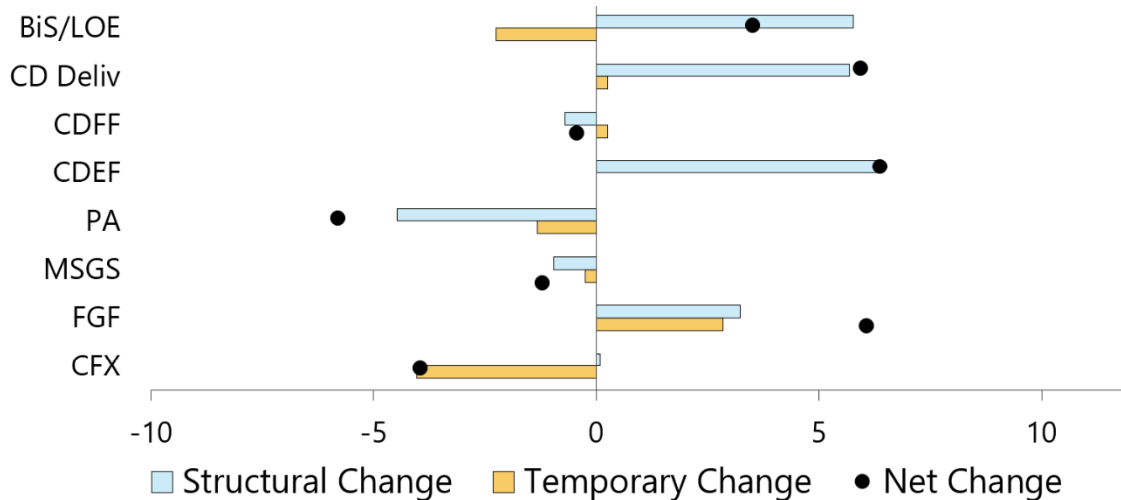
- **Country operations** (\$891 million). Budgets for bilateral surveillance and lending (\$520 million) will increase overall with some rebalancing for staff working on these operations in favor of lending activities and with reduced reliance on temporary resources. Budgets for CD direct delivery (\$368 million), are projected to increase overall, driven by external resources.

**Figure 14. Administrative Budget by Output, FY26<sup>1</sup>**  
(Millions of FY25 US Dollars)

14a. FY26 Budget by Output



14b. Changes in Budget by Output



Source: OBP, ICD, and Departmental allocations. <sup>1</sup> Excludes IMF Center/Miscellaneous. Includes business travel.

- **Policy and analytics** budgets (\$145 million) will decline modestly.
  - Policy **work** on surveillance will include work to prioritize activities in response to emerging challenges, including through the 2026 Comprehensive Surveillance Review and the 2026 FSAP Review. On lending, the Review of Program Design and Conditionality is scheduled along with a Review of the Short-term Liquidity Line.

- On the **analytical front**, priorities include work on productivity, especially in EMDEs; the IPF; debt and macro-fiscal issues; trade and financial integration; longer term transformation, including through innovation and technology adoption, and global developments in payments, crypto assets and financial market infrastructure. Work will also focus on fragile and conflict-affected and on small states.
- Multilateral surveillance and global cooperation and standards** (\$187 million) will decline slightly. Within the overall budget, work will include further analysis of economic interconnections and spillovers, including on monetary policy and financial stability. Global cooperation will focus on continuation of the AML/CFT Program with expansion of involvement in FATF assessment work; the release and support of the implementation of the updated Balance of Payment Manual (BPM) and System of National Accounts; an update of the global debt database (GDD) and the historical fiscal variables database; and G20 guidance/notes in support of surveillance.
- Fund governance and finances** (\$227 million) will increase modestly. Within this total, projects in FY26 include ongoing work on quotas, the Review of the Fund's Precautionary Balances, and continued implementation of the 2024 PRGT Review reforms.
- Corporate functions** (\$360 million) will decline modestly despite allocations to support cybersecurity/data privacy work. FY26 allocations within this total support ongoing HR modernization, including new systems for managing leave and absences; tools for staff mobility and for managing underperformance; continued delivery of the Fund's technology capabilities and other corporate services; risk-based application of the Enterprise Risk Management framework, and implementation of the Data Privacy Policy; and the Open Archive Policy reform.

## C. Budget by Input Category

**Table 8. Administrative Budget by Expenses, FY25-26**  
(Millions of FY25 US dollars, unless otherwise noted)

	FY25		FY26		Change					
	Fund-financed	Externally financed	Fund-financed	Externally financed	Fund financed		Externally Financed		Total	
					Unit	Percent	Unit	Percent	Unit	Percent
<b>Total Gross Admin. Envelope</b>	<b>1,642</b>	<b>283</b>	<b>1,649</b>	<b>288</b>	<b>6.6</b>	<b>0.4</b>	<b>4.9</b>	<b>1.7</b>	<b>11.5</b>	<b>0.6</b>
Personnel	1,230	191	1,234	188	4.5	0.4	-3.3	-1.7	1.3	0.1
Travel	91	66	91	70	0.1	0.1	3.6	5.4	3.6	2.3
Buildings/IT/Other	251	19	249	23	-2.6	-1.0	3.9	20.2	1.2	0.5
Contingency/Other <sup>1</sup>	70	8	75	8	4.6	6.6	0.8	10.1	5.4	7.0
<i>Memorandum item:</i>										
Receipts	49	276	49	280	0.3	0.7	4.2	1.5	4.5	1.4

Source: OBP. <sup>1</sup> Includes structural contingency reserves, OED/IEO carryforward, and unallocated general carryforward.

- Personnel**, about 73 percent of the gross administrative envelope, will remain largely flat in real terms. A modest increase in the Fund-financed component—mostly due to cyber-security/data privacy allocations—will be partly offset by a decline in the externally financed component.

- **Travel** (about 8 percent), will increase, largely driven by increased externally financed provisions.
- **Building, IT, and other services** (about 14 percent) will increase marginally in real terms, driven by externally financed allocations, partially offset by modest declines in the Fund-financed budget, linked to strengthened chargebacks and efficiency gains based on recent experience.
- **Receipts** (about 17 percent) will increase slightly in real terms, driven by a temporary increase in the external financing limit and related management fees. As noted, the general receipts budget is proposed to increase slightly.

## D. Budget by Department

**18. Overview** (Figure 15, Tables 9-10). This section presents a breakdown of the distribution of Fund-financed resources and FY26 changes in real resources by department. Overall changes reflect the negative net change in core departmental resources due to the unwinding of exceptional temporary resources, requiring difficult trade-offs. Interdepartmental changes reflect only a fraction of reallocation of activity, given significant intra-departmental reprioritization (Section III) and ongoing rebalancing of contributions to cross-departmental activities. Increases in some cases reflect targeted additional resourcing (e.g., top-up; changes in receipts). Rebalancing of existing structural resources across departments reflects a number of factors, including a focus on resourcing direct country work and consideration of base resources, changing needs, and pressure points.

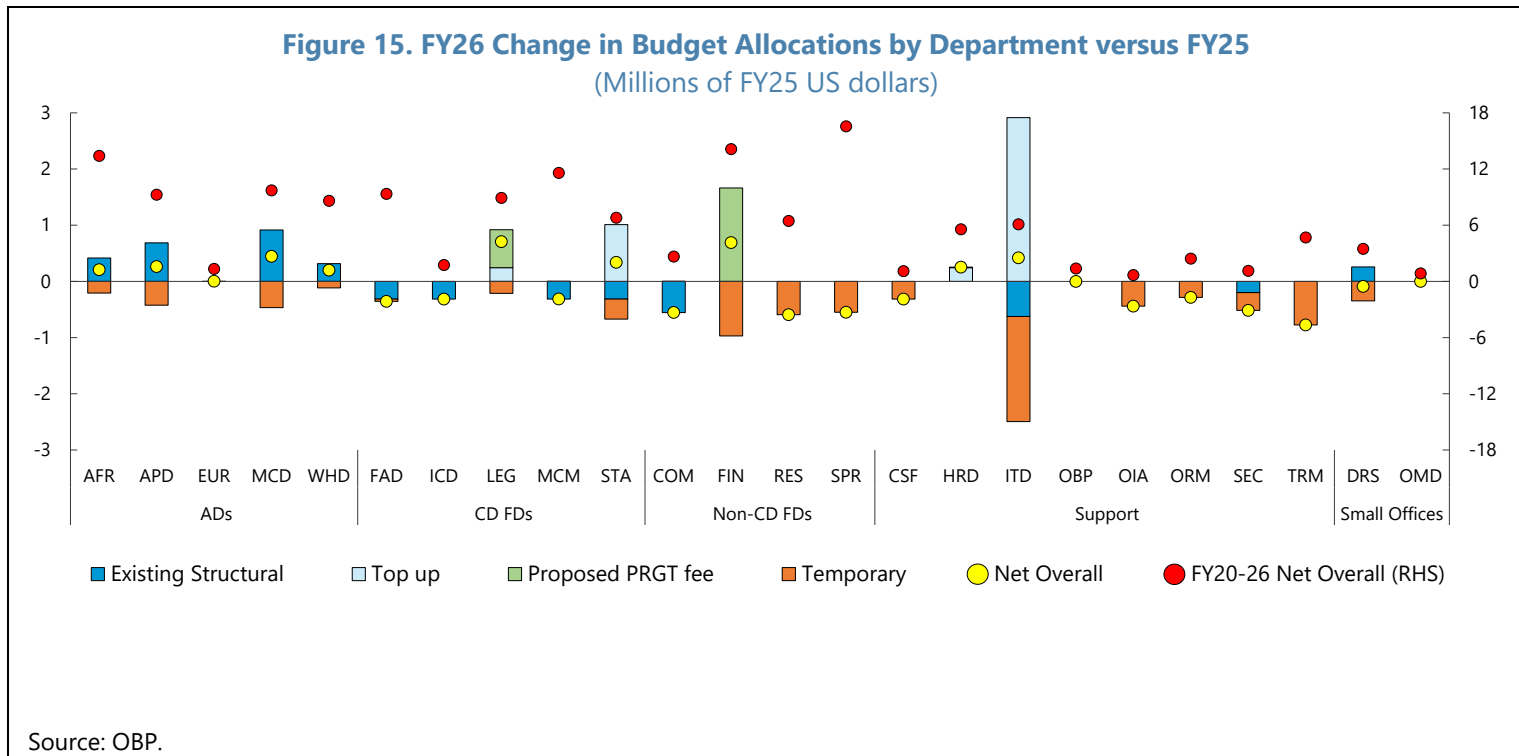
- **Area departments.** Structural resources will increase by \$2.3 million in FY26, with overall resources also increasing, notwithstanding the needed unwinding of temporary resources (0.3 percent and 11.8 percent relative to pre-crisis levels, 2020). No area department will see a reduction in resourcing levels in FY26. **APD** will receive net resources mainly to support overseas offices, with some internal rebalancing to strengthen managerial complements. Increases for **MCD** (and more modest net changes for **AFR** and **WHD**) are linked with increased complexity in operations, including lending, with structural funds balancing needed temporary unwinding. The budget for EUR will remain flat relative to FY24.
- **Non-CD functional departments.** Structural resources will increase by \$1.1 million in FY26. Overall resources will decline by 0.4 percent due to temporary unwinding in FY26, moderating slightly the overall increase since FY20 to 20.9 percent. Only **FIN** will see a net increase, with greater structural resourcing, linked to increased volume and complexity of PRGT-related investments and unwinding temporary space. **RES** and **SPR** both see overall declines linked to temporary space unwinding, supported by mainstreaming of work on long-term challenges. **COM** will see a reduction in structural positions, linked to consolidation of some activities and outputs.
- **CD departments.** Structural resources will increase by \$0.7 million in FY26. Overall resources will be flat, moderating slightly the overall increase since FY20 to 12.0 percent. **FAD**, **ICD**, and **MCM** will see a slight reduction in structural positions and dollar budgets, addressing changing

needs through reprioritization. **LEG** will see increases linked to legal support for data privacy and PRGT-related work. **STA** will also see increases linked to data privacy, data subscriptions and partnerships on statistical standards.

- **Corporate functions.** Structural resources will increase by \$2.4 million in FY26, while overall resources will decline 0.4 percent, moderating the net increase since FY20 to 6.6 percent. **ITD** will see a structural increase related to work on cyber risks, with unwinding of significant temporary resources linked to cloud support services and licenses for on premise systems scheduled for decommissioning. **HRD** will see a modest increase in structural resources, linked to support for data privacy work. **CSF** will see a small decline, reflecting efficiency gains that have enabled unwinding of temporary resources. **SEC** will see a modest decline, mainly in temporary resources but also in structural budgets that had seen historic underutilization. **OIA**, **ORM** and **TRM** will begin to unwind exceptional temporary resourcing linked to modernization assessment (OIA) and stand-up activities (ORM and TRM).

**19. Overall departmental budgets** (Table 11). As noted, externally financed budgets are concentrated in CD departments, with an important impact on the relative scale of resources. A total of 126 staff are also to be funded externally.





**Table 9. Fund-Financed Budget Adjustments by Department, FY25-26**  
(Millions of FY25 US dollars, unless otherwise noted)

Departments	FY25 Budget			FY26 Proposed Budget			Percent Change	
	Structural	Temporary	Total	Structural	Temporary	Total	FY25-26	FY20-26
<b>Area</b>	<b>388.9</b>	<b>12.0</b>	<b>400.8</b>	<b>391.2</b>	<b>10.8</b>	<b>401.9</b>	<b>0.3</b>	<b>11.8</b>
AFR	117.5	2.3	119.8	117.9	2.1	120.0	0.2	12.6
APD	61.0	2.5	63.5	61.7	2.1	63.7	0.4	17.0
EUR	81.4	2.8	84.2	81.4	2.8	84.2	0.0	1.6
MCD	67.8	1.3	69.1	68.7	0.9	69.6	0.6	16.2
WHD	61.2	3.1	64.3	61.5	3.0	64.5	0.3	15.4
<b>Functional Non-CD</b>	<b>224.0</b>	<b>7.7</b>	<b>231.7</b>	<b>225.1</b>	<b>5.6</b>	<b>230.7</b>	<b>-0.4</b>	<b>20.9</b>
COM	46.7	1.2	47.9	46.2	1.2	47.3	-1.2	6.0
FIN	52.3	2.7	55.0	54.0	1.8	55.7	1.3	34.0
RES	45.3	1.1	46.4	45.3	0.6	45.8	-1.3	16.4
SPR	79.7	2.7	82.4	79.7	2.2	81.9	-0.7	25.4
<b>Functional CD</b>	<b>352.3</b>	<b>5.6</b>	<b>358.0</b>	<b>353.0</b>	<b>5.0</b>	<b>358.0</b>	<b>0.0</b>	<b>12.0</b>
FAD	78.6	3.0	81.6	78.3	3.0	81.2	-0.4	13.0
ICD	57.5	0.0	57.5	57.1	0.0	57.1	-0.5	3.2
LEG	40.0	1.5	41.5	40.9	1.3	42.2	1.7	26.8
MCM	111.3	0.1	111.3	110.9	0.1	111.0	-0.3	11.7
STA	65.1	1.0	66.1	65.8	0.7	66.4	0.5	11.4
<b>Support</b>	<b>358.8</b>	<b>14.8</b>	<b>373.6</b>	<b>361.2</b>	<b>10.8</b>	<b>372.0</b>	<b>-0.4</b>	<b>6.6</b>
CSF	127.0	1.1	128.1	127.0	0.8	127.8	-0.2	0.9
HRD	50.4	6.3	56.7	50.6	6.3	56.9	0.4	10.9
ITD	125.2	3.1	128.3	127.5	1.3	128.7	0.3	5.0
OBP	6.7	0.6	7.3	6.7	0.6	7.3	0.0	23.4
OIA	6.7	0.4	7.1	6.7	0.0	6.7	-6.2	11.3
ORM	5.3	1.1	6.4	5.3	0.8	6.1	-4.4	66.2
SEC	28.8	0.3	29.1	28.6	0.0	28.6	-1.8	4.1
TRM	8.8	1.8	10.6	8.8	1.0	9.8	-7.3	91.4
<b>Small Offices</b>	<b>20.3</b>	<b>1.2</b>	<b>21.5</b>	<b>20.6</b>	<b>0.9</b>	<b>21.4</b>	<b>-0.4</b>	<b>20.8</b>
<b>Center</b>	<b>37.3</b>	<b>1.5</b>	<b>38.8</b>	<b>46.1</b>	<b>4.0</b>	<b>50.1</b>	...	...
<b>Other</b>	<b>118.9</b>	<b>16.9</b>	<b>135.8</b>	<b>118.9</b>	<b>26.6</b>	<b>145.5</b>	<b>7.2</b>	<b>9.5</b>
OED	97.4	16.5	114.0	97.4	26.3	123.7	8.5	12.9
IEO	7.6	0.4	8.0	7.6	0.4	8.0	0.1	-6.7
Central HR Programs	13.8	-	13.8	13.8	-	13.8	0.0	-6.1
<b>Total</b>	<b>1,500.5</b>	<b>59.7</b>	<b>1,560.3</b>	<b>1,516.0</b>	<b>63.7</b>	<b>1,579.7</b>	<b>1.2</b>	<b>8.4</b>
<b>Gross budget/reserve shift<sup>1</sup></b>	...	<b>32.9</b>	...	<b>-8.1</b>	<b>27.8</b>	<b>19.7</b>	...	...
<b>Grand Total<sup>2</sup></b>	<b>1,500.5</b>	<b>92.6</b>	<b>1,593.1</b>	<b>1,507.9</b>	<b>91.5</b>	<b>1,599.4</b>	<b>0.4</b>	<b>9.8</b>

Source: OBP. <sup>1</sup> Includes changes related to receipts and CCE; additional reserves from salary dynamics; and unallocated carryforward. <sup>2</sup> Net Administrative Budget and temporary resources, including IEO/OED.

Table 10. FTE Changes by Department, FY25-26

Departments	FY25 Budget			FY26 Proposed Budget			Percent Change	
	Structural	Temporary	Total	Structural	Temporary	Total	FY25-26	FY20-26
<b>Area</b>	<b>849.6</b>	<b>24.0</b>	<b>873.6</b>	<b>854.1</b>	<b>20.5</b>	<b>874.6</b>	<b>0.1</b>	<b>9.5</b>
AFR	247.4	5.5	252.9	247.4	5.5	252.9	0.0	12.0
APD	129.7	4.5	134.2	131.7	4.0	135.7	1.1	15.6
EUR	183.4	5.0	188.4	182.9	5.0	187.9	-0.3	-0.1
MCD	145.5	2.0	147.5	147.5	1.0	148.5	0.7	11.2
WHD	143.5	7.0	150.5	144.5	5.0	149.5	-0.7	12.0
<b>Functional Non-CD</b>	<b>585.1</b>	<b>13.5</b>	<b>598.5</b>	<b>588.1</b>	<b>9.0</b>	<b>597.1</b>	<b>-0.2</b>	<b>19.2</b>
COM	98.0	0.0	98.0	96.0	0.0	96.0	-2.0	6.7
FIN	148.5	7.0	155.5	152.5	5.0	157.5	1.3	24.5
RES	123.5	1.5	125.0	123.5	1.0	124.5	-0.4	14.7
SPR	215.1	5.0	220.0	216.1	3.0	219.1	-0.4	24.5
<b>Functional CD</b>	<b>808.1</b>	<b>12.3</b>	<b>820.4</b>	<b>809.2</b>	<b>8.0</b>	<b>817.2</b>	<b>-0.4</b>	<b>12.1</b>
FAD	185.5	5.8	191.3	184.5	4.0	188.5	-1.5	16.4
ICD	135.2	0.0	135.2	134.2	0.0	134.2	-0.7	4.8
LEG	98.7	4.5	103.2	100.7	4.0	104.7	1.5	25.9
MCM	257.9	0.0	257.9	257.0	0.0	257.0	-0.4	16.4
STA	130.8	2.0	132.8	132.8	0.0	132.8	0.0	-1.5
<b>Support</b>	<b>601.3</b>	<b>14.8</b>	<b>616.1</b>	<b>614.0</b>	<b>10.0</b>	<b>624.0</b>	<b>1.3</b>	<b>14.2</b>
CSF	168.2	0.0	168.2	170.0	0.0	170.0	1.1	4.8
HRD	118.0	7.8	125.8	121.0	5.0	126.0	0.2	14.5
ITD	166.1	0.0	166.1	172.0	0.0	172.0	3.6	11.6
OBP	19.0	1.0	20.0	19.0	1.0	20.0	0.0	27.4
OIA	19.0	0.0	19.0	18.0	0.0	18.0	-5.3	12.5
ORM	17.0	2.0	19.0	17.0	1.0	18.0	-5.3	80.0
SEC	72.0	1.0	73.0	75.0	0.0	75.0	2.7	12.8
TRM	22.0	3.0	25.0	22.0	3.0	25.0	0.0	108.3
<b>Small Offices</b>	<b>64.0</b>	<b>0.0</b>	<b>64.0</b>	<b>64.0</b>	<b>0.0</b>	<b>64.0</b>	<b>0.0</b>	<b>43.8</b>
<b>Other</b>	<b>296.8</b>	<b>0.0</b>	<b>296.8</b>	<b>300.3</b>	<b>0.0</b>	<b>300.3</b>	<b>...</b>	<b>...</b>
OED	276.5	0.0	276.5	277.0	0.0	277.0	0.2	16.2
IEO	15.0	0.0	15.0	18.0	0.0	18.0	20.0	20.0
Central HR programs	5.3	0.0	5.3	5.3	0.0	5.3	0.0	-77.4
<b>Total</b>	<b>3,204.8</b>	<b>64.6</b>	<b>3,269.3</b>	<b>3,229.5</b>	<b>47.5</b>	<b>3,277.0</b>	<b>0.2</b>	<b>12.2</b>
<b>Externally financed</b>	<b>126.0</b>	<b>-</b>	<b>126.0</b>	<b>126.0</b>	<b>-</b>	<b>126.0</b>	<b>0.0</b>	<b>38.2</b>
<b>Grand Total</b>	<b>3,330.8</b>	<b>64.6</b>	<b>3,395.3</b>	<b>3,355.5</b>	<b>47.5</b>	<b>3,403.0</b>	<b>0.2</b>	<b>13.0</b>

Source: OBP.

**Table 11. Overall Budget and FTEs by Department, FY26**

Departments	Proposed						Share of Proposed Budget			
	Fund-Financed		Externally Financed		Total		Fund-Financed		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
<b>Area</b>	<b>401.9</b>	<b>874.6</b>	<b>37.0</b>	<b>4.0</b>	<b>439.0</b>	<b>878.6</b>	<b>25.9</b>	<b>26.7</b>	<b>23.9</b>	<b>25.8</b>
AFR	120.0	252.9	4.2	1.0	124.1	253.9	7.7	7.7	6.8	7.5
APD	63.7	135.7	19.5	1.0	83.3	136.7	4.1	4.1	4.5	4.0
EUR	84.2	187.9	0.0	0.0	84.2	187.9	5.4	5.7	4.6	5.5
MCD	69.6	148.5	11.1	1.0	80.7	149.5	4.5	4.5	4.4	4.4
WHD	64.5	149.5	2.2	1.0	66.7	150.5	4.2	4.6	3.6	4.4
<b>Functional Non-CD</b>	<b>230.7</b>	<b>597.1</b>	<b>4.1</b>	<b>3.0</b>	<b>234.8</b>	<b>600.1</b>	<b>14.9</b>	<b>18.2</b>	<b>12.8</b>	<b>17.6</b>
COM	47.3	96.0	0.0	0.0	47.3	96.0	3.0	2.9	2.6	2.8
FIN	55.7	157.5	0.6	1.0	56.3	158.5	3.6	4.8	3.1	4.7
RES	45.8	124.5	1.5	0.0	47.3	124.5	3.0	3.8	2.6	3.7
SPR	81.9	219.1	2.1	2.0	84.0	221.1	5.3	6.7	4.6	6.5
<b>Functional CD</b>	<b>358.0</b>	<b>817.2</b>	<b>231.3</b>	<b>118.0</b>	<b>589.3</b>	<b>935.2</b>	<b>23.1</b>	<b>24.9</b>	<b>32.1</b>	<b>27.5</b>
FAD	81.2	188.5	109.6	33.0	190.9	221.5	5.2	5.8	10.4	6.5
ICD	57.1	134.2	37.9	35.0	95.0	169.2	3.7	4.1	5.2	5.0
LEG	42.2	104.7	13.4	15.0	55.6	119.7	2.7	3.2	3.0	3.5
MCM	111.0	257.0	42.4	17.0	153.4	274.0	7.1	7.8	8.4	8.1
STA	66.4	132.8	28.0	18.0	94.4	150.8	4.3	4.1	5.2	4.4
<b>Support</b>	<b>372.0</b>	<b>624.0</b>	<b>0.3</b>	<b>1.0</b>	<b>372.3</b>	<b>625.0</b>	<b>24.0</b>	<b>19.0</b>	<b>20.3</b>	<b>18.4</b>
CSF	127.8	170.0	0.0	0.0	127.8	170.0	8.2	5.2	7.0	5.0
HRD	56.9	126.0	0.2	1.0	57.1	127.0	3.7	3.8	3.1	3.7
ITD	128.7	172.0	0.1	0.0	128.8	172.0	8.3	5.2	7.0	5.1
OBP	7.3	20.0	0.0	0.0	7.3	20.0	0.5	0.6	0.4	0.6
OIA	6.7	18.0	0.0	0.0	6.7	18.0	0.4	0.5	0.4	0.5
ORM	6.1	18.0	0.0	0.0	6.1	18.0	0.4	0.5	0.3	0.5
SEC	28.6	75.0	0.0	0.0	28.6	75.0	1.8	2.3	1.6	2.2
TRM	9.8	25.0	0.0	0.0	9.8	25.0	0.6	0.8	0.5	0.7
<b>Small Offices</b>	<b>21.4</b>	<b>64.0</b>	<b>0.0</b>	<b>0.0</b>	<b>21.4</b>	<b>64.0</b>	<b>1.4</b>	<b>2.0</b>	<b>1.2</b>	<b>1.9</b>
<b>Center</b>	<b>50.1</b>	<b>0.0</b>	<b>4.3</b>	<b>0.0</b>	<b>54.3</b>	<b>0.0</b>	<b>3.2</b>	<b>0.0</b>	<b>3.0</b>	<b>0.0</b>
<b>Other</b>	<b>118.9</b>	<b>300.3</b>	<b>3.1</b>	<b>0.0</b>	<b>122.0</b>	<b>300.3</b>	<b>7.7</b>	<b>9.2</b>	<b>6.7</b>	<b>8.8</b>
<b>Total</b>	<b>1,553.1</b>	<b>3,277.0</b>	<b>280.1</b>	<b>126.0</b>	<b>1,833.2</b>	<b>3,403.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

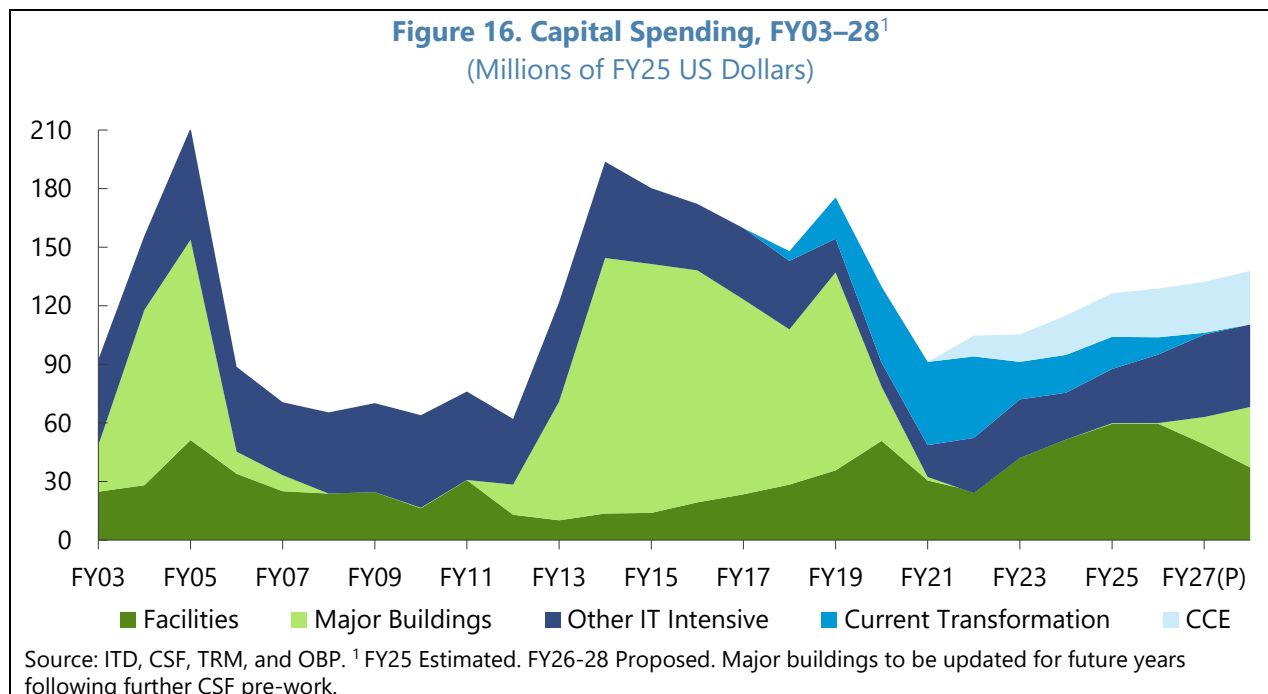
Source: OBP. Other includes OED, IEO, and central HR programs.

## SECTION V. CAPITAL BUDGET

**20. Overview** (Figure 16). Capital spending—covering fixed investments in facilities and IT-intensive assets, as well as related cloud licenses, is characterized by variations in scale over time, linked to the lumpiness of related needs. In recent years:

- **Facilities-related expenditures** have varied substantially over the past two decades, linked to HQ2 construction beginning in FY02, HQ1 renewal, and a period of reduced spending linked to pandemic-related supply shocks and the need to reconsider needs in light of greater hybrid engagement, increased staff, and ongoing recognition of legacy needs related to field operations. Forward-looking investments will cover the lifecycle needs of two aging HQ buildings, field capital requirements, and other improvements to meet business needs.
- **IT-intensive expenditures** ramped up in recent years, addressing legacy underinvestment and needs associated with cyber security; new priorities within a changing technology landscape, including AI and cloud-based licensing; and ongoing operational needs for maintenance and equipment. ITD’s Business Technology Strategy sets out the overall framework for related work in the coming period, supported by an updated, interdepartmental project prioritization process.

**21.** This section reviews FY25 capital expenditures and sets out proposed budgets for FY26-28. Planning by both CSF and ITD takes on board lessons from experience, supported by strengthened project governance and a reinforced control framework.



## A. FY25 Capital Spending

**22. FY25 Capital spending** is estimated at \$126.4 million, relative to an outturn of \$114.9 million in FY24, including \$104.1 million in direct capital spending and \$22.3 million in cloud-related licenses (Table 12). FY25 total available resources are \$163.6 million, reflecting the three-year availability of capital funding.

- **Facilities.** Spending is projected to rise 16 percent versus FY24. Resources available to carry over into FY26 total \$19.4 million, a \$5.7 million decline relative to the prior year.
- **New investments** include continued implementation of a new office space standard and reconfigurations to optimize space allocations. Other projects relate to field offices and modest investments in sustainability improvements.

- **Lifecycle projects** including replacement and refurbishment of HQ1 building systems that had not yet reached end-of-life during the HQ1 renewal project (e.g., chillers, backup generator, substations, elevators), as well as updates of core AV systems and equipment. Other projects include accessibility and access security improvements; mechanical, electrical, and plumbing repairs and maintenance; and field office lifecycle and maintenance.

Table 12. Real Capital Expenditures, FY24-25 <sup>1</sup> (Millions of FY25 US Dollars)			
	Spending		FY25 Avail.
	FY24	FY25 (Est.)	
<b>Total Capital</b>	<b>114.9</b>	<b>126.4</b>	<b>163.6</b>
<b>Facilities</b>	<b>51.4</b>	<b>59.8</b>	<b>79.2</b>
New Investments	29.4	31.9	37.8
Lifecycle replac. & repairs	22.0	27.6	38.0
Major Buildings	...	0.3	3.4
<b>IT-Intensive ( Direct + Cloud)</b>	<b>63.6</b>	<b>66.6</b>	<b>84.4</b>
Direct Capital Investments	43.4	44.3	61.5
Transformation	19.4	16.5	22.7
New Investments	14.5	18.5	29.0
Infrastructure end-of-life	9.5	9.3	9.8
Cloud Capital Equivalent	20.2	22.3	22.9

Source: ITD, CSF, TRM, and OBP. <sup>1</sup> Approved funds available for 3 yrs.

- **Major Buildings** spending reflects early planning activities for the HQ2 Refresh program. A facilities conditions assessment was conducted as input into schedule and high-level cost estimations. Engineering studies and schematic design work will start in late FY25 and continue into FY26 (Box 4).
- **IT-intensive capital.** Spending is projected to rise 5 percent with improved project execution driven by both price and volume effects. About \$16.2 million is projected to be available to carry over to FY26 (versus \$16.5 million last year).
- **Transformation projects.** FY25 spending focuses on in-train projects with progress detailed below.

#### Box 4. HQ2 Refresh

HQ2, completed in 2005, is now nearing the point where aging building components must be replaced or updated. Planning and design are underway for refresh program to run from FY27-36. Total cost is estimated at \$246 million (including \$48 million through FY28) covering a risk-informed scope for lifecycle replacements and improvements, and limited updates on office floors (e.g., restrooms).

The investments will strengthen systems reliability, ensure business continuity, advance energy efficiency, incorporate leading building management technologies, and modernize common areas, including those used for the Spring and Annual Meetings, in a cost-effective manner. It aims to maximize the current asset life, while ensuring that building operations remain within risk tolerance.

Cost estimates, informed by facilities conditions assessments and external engineering inputs, will be further refined as pre-construction activities continue. The project team is actively incorporating lessons from the HQ1 Renewal, focusing on robust planning, risk management, and reporting.

- **Other Investments projects.** Other IT investments under implementation in FY25 total \$18.5 million. This includes work to optimize CD partner engagement, IT strategic portfolio management, a data science platform, and investments related to cybersecurity and AI.
- **Infrastructure Projects:** Infrastructure projects under implementation in FY25 total \$9.3 million. This includes work to upgrade network equipment, servers, storage capacity, and end-user equipment such as Fund laptops and mobile devices.
- **Cloud Capital Equivalent (CCE).** Cloud license spending in FY25 is expected to rise at a slightly slower pace than budgeted, reflecting substantial consolidation efforts by ITD, with \$1.8 million in cost avoidance through streamlining.

## B. FY26 Capital Budget

**23. Proposed budget** (Table 13). The proposed FY26 capital envelope (and the FY27 indicative budget) is in line with preliminary figures in the FY25-27 budget, with a proposed increase under the FY28 indicative budget equally split between facilities and IT-intensive investment related needs. The FY26 proposed budget of \$128.8 million (in FY25 dollars) represents a 5.7 percent real increase versus FY25.

- **Facilities.** The proposed budget totals \$59.9 million, up \$5.9 million (10.9 percent) relative to FY25.
  - **Lifecycle replacements** (including vehicles) make up about 80 percent of the total proposed budget, including critical in-progress HQ1-related replacements and AV projects required to update the aging technology and increase capacity in line with increased events and Annual and Spring Meetings-related needs. Replacement of Boardroom AV systems is also planned for FY27.

- **New investments** primarily support restoration of the HQ1 Auditorium and field office-related funding, with smaller allocations for OED furniture to accommodate headcount growth, updates to facilities used by security guards, and sustainability improvements and smart building initiatives.
- **Major Building.** The FY26 budget request of \$0.3 million provides funds to continue with pre-construction and design work for the HQ2 Refresh project as noted in Box 4.

**Table 13. Medium-Term Capital Budget, FY25-28**  
(Millions of US Dollars)

	FY25 Real	FY26 Nominal	FY26 Real	FY26 Nominal	FY27 Real	FY27 Nominal	FY28 Real	FY28 Nominal
	Approved	Projected in FY25-27 MTB	Proposed		Indicative		Indicative	
<b>Total</b>	<b>121.9</b>	<b>132.2</b>	<b>128.8</b>	<b>132.5</b>	<b>132.2</b>	<b>138.7</b>	<b>137.8</b>	<b>147.6</b>
<b>Building Facilities</b>	<b>54.0</b>	<b>61.4</b>	<b>59.9</b>	<b>61.6</b>	<b>63.0</b>	<b>66.1</b>	<b>68.2</b>	<b>73.0</b>
Lifecycle replacements and repairs	23.1	39.8	46.7	48.1	31.8	33.3	17.5	18.7
HQ1/HQ2/Concordia	20.0	31.6	33.6	34.5	22.3	23.4	8.5	9.1
Audio-visual	3.1	8.2	13.2	13.5	9.5	10.0	9.0	9.6
New Investments	26.4	20.4	11.9	12.2	16.2	17.0	18.7	20.1
Field Offices	6.5	6.7	7.1	7.3	7.1	7.5	7.3	7.8
Vehicles	1.0	1.2	1.0	1.0	1.0	1.0	1.0	1.1
Major Buildings	3.4	...	0.3	0.3	14.0	14.6	30.9	33.1
<b>IT-Intensive (Direct + Cloud)</b>	<b>67.9</b>	<b>70.8</b>	<b>68.9</b>	<b>70.9</b>	<b>69.2</b>	<b>72.6</b>	<b>69.6</b>	<b>74.6</b>
Direct Capital Investments	45.0	45.2	43.9	45.2	43.1	45.2	42.2	45.2
Transform (current)	13.8	7.7	8.8	9.1	4.2	4.4	0.0	0.0
Other Investments	22.2	28.9	26.6	27.4	30.6	32.1	34.1	36.5
o/w: Cybersecurity	1.7	3.0	9.5	9.8	10.8	11.3	3.6	3.9
o/w: AI	-	-	3.7	3.8	4.1	4.3	0.6	0.6
Infrastructure end-of-life	9.0	8.6	8.5	8.7	8.3	8.7	8.1	8.7
Cloud Capital Equivalent	22.9	25.7	25.0	25.7	26.1	27.4	27.5	29.4

Source: ITD, CSF, TRM, and OBP. Note: Figures may not add to totals due to rounding. Major building expenditures, beyond preplanning, and their timeline will be set out in future budgets. Projected FY25 Carryforward is \$19.4M for Facilities and \$12.0M for IT-Intensive Capital.

- **IT-intensive capital.** The proposed IT-intensive capital budget is \$68.9 million, including CCE, up 1.5 percent versus FY25. The proposal incorporates planned needs from current projects and prioritizes new investments from strong pipeline of medium-term demand.
- **Programmed transformation investments** focus largely on completion of in-train projects (Table 14). Additional details on specific projects will be provided as part of the next Modernization update (September 2025). All projects are completed through partnership between a business sponsor department and ITD.
  - **Nexus**, sponsored by TRM, replaced the Fund's document management platform, The final Fund-wide release was deployed in March 2024. Hypercare support, stabilization, and closeout activities are ongoing and expected be completed by FY26Q1.



**Table 14. Estimated Capital Needs for Transformation Projects, Nominal, FY25-26**  
(Millions of US dollars)

	Overall Project				FY 25	FY 26	
	Total Estimated Project Cost	Approved to date	Est. spend to date (end FY25)	Approved resources remaining	Est. FY25 outturn	Est. Spend Real	Est. Spend Nominal
<b>Total</b>	<b>86.9</b>	<b>86.9</b>	<b>71.5</b>	<b>15.5</b>	<b>16.5</b>	<b>8.8</b>	<b>9.1</b>
Nexus	25.8	25.8	25.8	0.0	1.6	0.0	0.0
iData	29.8	29.8	29.8	0.0	5.4	0.0	0.0
HR Modernization	11.6	11.6	5.2	6.4	2.8	2.7	2.8
Phase 2	7.6	7.6	1.3	6.3	1.3	2.7	2.8
CCBR-Related Updates	2.0	2.0	1.8	0.1	0.4	0.0	0.0
Dual System Plan	2.1	2.1	2.1	0.0	1.1	0.0	0.0
Intranet	10.7	10.7	6.5	4.1	4.2	1.7	1.8
CRS-Common Review	9.0	9.0	4.1	4.9	2.4	4.4	4.5

Source: TRM and ITD.

- **iData**, sponsored by STA, modernizes the Fund's economic data management and dissemination systems. The go-live of the Data Dissemination Portal will complete in March 2025. A parallel run of datasets in the legacy platform will continue with final sign offs expected in April 2025 for RES products. Technical implementation will be completed by end-FY25, while full data migration and parallel testing have been extended to mid-FY26.
- **HR Modernization.** Follow-on HR modernization work in FY26 will focus on improving existing functionality and business processes both to strengthen user experience and strengthen process and system efficiency. An ongoing 'health check' of existing Workday workflows and related process optimization, as well as analysis of needed updates to Leave and Absence and Dependent Data HR workflows will feed into the FY26 workplan.
- **The Common Review System (CRS)**, sponsored by SPR, will facilitate more consistent and accessible documentation and increased transparency in review. A Pilot Release 1 was launched in Q1 FY25 to a subset of Fund staff focusing on Working Papers and testing core features such as review workflows, review assignments, and commenting. A second pilot is planned for Q3 FY25 focusing on interdepartmental clearance and implementing the security framework to support Strictly Confidential documents. The first Fund-wide release is planned in early FY26, with the project scheduled for completion by end-FY26.
- The **Intranet** project, sponsored by TRM with COM support, the project aims to deliver a modern Intranet. Release 1 went live in Q2 FY25, including the Fund home page, a revamped HR hub, and the communications portals. Release 2 began in February 2025 and includes Departmental websites, Fund-wide information sites, and Knowledge Exchange Topics and Countries, and Departmental websites. The project is scheduled for completion by end FY26.

- **Other investments** include projects related to cybersecurity, AI, financial systems, and other critical business systems such as automation for the Core banking system, Fund Integrated Training System (FITS), IMF.org, Office Copilot, Data Privacy, and updates to CDMAP. Like cybersecurity, investments in AI will be a high priority with spending focused on assessing the Fund's maturity level and integrating AI into administrative and operational work (Box 5).

### Box 5. BTS Strategy

- In addition to in-train transformation projects, large investments supporting the BTS implementation include cybersecurity, AI, and Enterprise Resource Planning (ERP).
- **Cyber Security Strategy.** The Fund's 2024 Enterprise Risk Management report underscored the importance of cyber risk, recognizing the rapidly changing threat environment and the need for ongoing investment. The related Cybersecurity Strategy emphasizes the need to continue to invest in identify, protect, and detect capabilities, but also envisions new investment in the Fund's governance, response, and recovery capabilities. The strategy aims to (i) implement an e-GRC system (in partnership with ORM and the Data Privacy Function) to provide a holistic view of the Fund's information security risk posture and improve cyber risk governance capabilities; (ii) develop enhanced education and awareness training targeted to privileged access users and high-profile staff; (iii) fast track the move to a zero-trust environment by securing remote access capabilities, implementing strong and frictionless authentication mechanisms, and strengthening Identity and Access Management systems/processes; (iv) broaden the coverage of security incident and event monitoring capabilities to include the Fund's multi-cloud environment; (v) re-establish the Fund's cyber threat intel capability; and, (vi) test and improve incident, personal data breach management, and crisis response plans. Projected cybersecurity/data privacy spending of \$8 million in FY25 with an additional \$25 million proposed over the medium term in direct costs and with \$6 million in recurring cloud costs by FY28.
- **AI Investment.** The Fund has made important initial strides in addressing the high demand for Generative AI (GenAI) in a rapidly changing environment. Key initiatives include providing guidance on the secure usage of GenAI, establishing GenAI governance through an inter-departmental coordination committee, and adopting a secure AI Digital Assistant to offer GenAI capabilities to staff. Over the next four years, eight AI capital projects spanning the three AI domains – Foundation, General Purpose AI, and Specialized AI – are anticipated to gradually and responsibly integrate GenAI into the Fund's operations. Adoption is expected to help achieve the industry benchmark of average efficiency gains of 30 minutes per user per day. About \$14 million of direct AI capital spending is planned over the medium term with cloud-related costs projected at \$4 million by FY28. This investment will support key initiatives such as AI maturity assessments (to guide AI adoption), Microsoft Copilot (to integrate Generative AI into Microsoft 365 tools), StatGPT (for streamlined data analysis, visualization, and international collaboration), Knowledge Graph (boost metadata consistency, discovery, and cross-country analysis), AIDA 2.0 (upgrade the Fund's AI Digital Assistant for self-service translation and document summarization), and Specialized AI use cases (tailoring AI to specific Fund processes).
- **ERP.** The current ERP platform (covering Corporate Finance, HR, Travel, Budget and Planning systems), PeopleSoft, has been in use for over two decades, is highly customized, receives limited product enhancements from Oracle, and requires a proactive ERP modernization plan. Early work is underway to develop a comprehensive ERP Strategy to move to a best-of-suite ERP landscape, while making interim gains in modernizing budget management, field office financials systems, travel, and addressing Workday-related user experience challenges. Decision on the choice or mix of platforms requires careful consideration of data flows, integrations, and add-on possible failure points. Initial projections for costs will be discussed as part of the FY27-29 capital budget.

- **Lifecycle replacements and IT infrastructure.** In addition to funding upgrades for network equipment, servers, and storage capacity, these investments will fund end-user equipment such as Fund laptops and mobile devices, considering staff growth.
- **CCE.** Cloud costs are projected to increase to \$25.0 million due to higher unit prices and retirement of on-premises systems. Cyber-related needs, highlighted in Section II will be absorbed in the existing envelope.

**24. Medium-term.** For facilities, HQ1-related lifecycle investments will wind down as the HQ2 Refresh begins to ramp up, with related implementation sequenced through FY36 to help moderate bunching. Field office investments are assumed to continue at current real levels, but are subject to uncertainties, with the review of global field presence an important input into planning. IT-intensive investments will be informed by Business Technology Strategy (BTS), which provides the framework for informing and guiding the Fund's digital ambition, IT operating model, and technology investments over the medium term (Box 5). The BTS spans the period FY25-FY28 and focuses on five main themes: renovating core systems, embracing Artificial Intelligence, increasing cybersecurity resilience, rationalizing the Fund's technology backbone, and building a fit-for-purpose IT workforce.

## SECTION VI. RISKS

**25. Budget risks.** Consistent with the Enterprise Risk framework and taking account of corporate findings in the 2024 Risk Report, OBP has updated the risk self-assessment carried out for the [FY25-27 Medium-term Budget](#). The assessment recognizes both significant mitigation activities and residual risk related to external drivers, requiring ongoing vigilance. (Figure 17 and Table 15).

- The revised assessment incorporates two new risks:
  - Cyber/data privacy assessed as a major risk. The 2024 Risk Report notes that the cyber threat landscape is increasingly characterized by complexity that requires significant ongoing investment, as set out by ITD and STA in related plans.
  - Contingent financial liabilities, assessed as a minor risk stemming, for example, from potential Third-Party risk issues (e.g., non-performance; litigation) and from broader dispute settlement. While such needs are not new, tightening buffers imply the need to ensure close budget management to ensure coverage of such contingencies should they arise.
- The assessment maintains that work pressures continue to represent a major risk, albeit with concerted efforts underway to streamline and prioritize work to mitigate these risks. Risks related to country engagement, price uncertainty, capital/modernization, and CD funding remain moderate.

- Two previous risks arising from the hybrid model implementation and from recruitment have been dropped.

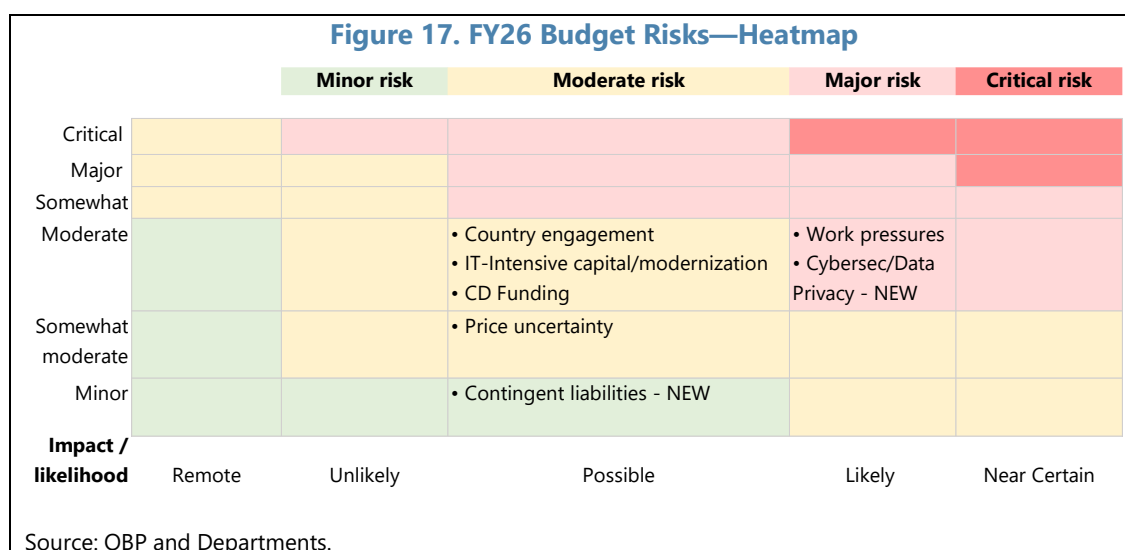


Table 15. Enterprise Risk Self-Assessment for FY26-28 Medium-Term Budget	
Risk (Assessment)	Risk Mitigation
<b>Work pressures (Major).</b> Significant and increasingly complex demands arising at a rapid pace that makes them difficult to absorb effectively, adversely affecting staff well-being.	Strategic reprioritization and management-led streamlining to reduce overall work levels, while ensuring resourcing remains available to address pressure points and deliver high quality, responsive work for the membership.
<b>Cyber/data privacy (Major).</b> Increased sophistication of cyber-attacks across organizations highlights the importance of ongoing investment to support mitigation and resilience measures.	Implement comprehensive cyber security strategy set out in ITD's Business Technology Strategy (BTS); continue to review needs as landscape evolves. Similar implementation of STA-led data privacy plan, drawing on good practice models.
<b>Country Engagement (Moderate).</b> Sustained or possibly increased demand for higher-level and more complex program support given significant economic uncertainty. This could be coupled with the need for more granular and tailored policy advice and capacity development support on an expanded range of macro-critical issue areas.	Continued rigorous reprioritization to create space (and reduce work pressures) by postponing or cancelling some less urgent or lower priority activities, recognizing increasingly difficult trade-offs. Continued close monitoring of pipeline of program requests/inquiries.

<b>Table 15. Enterprise Risk Self-Assessment for FY26-28 Medium-Term Budget (concluded)</b>	
<b>Risk (Assessment)</b>	<b>Risk Mitigation</b>
<b>CD funding (Moderate).</b> Medium-term shifts or decline in donor funding for specific regions, RCDCs, or topical areas could affect continuity of CD delivery. Impact of donor-funded activity on level of Fund-financing (including for related overheads) requires close monitoring.	Implementation of Strategic CD Funding Roadmap, with donor diversification, prefunding of IMF02 vehicles, and consolidating smaller vehicles into larger, more flexible ones, such as the Global Public Finance Partnership (GFPF). Close monitoring of overall CD-related needs and continued flexibility in expense model.
<b>Price uncertainty (Moderate).</b> Delinking salary structure increases from the budget deflator implies potential that the budget may need to absorb price differentials within the real budget. In addition, price increases above CPI for some non-personnel inputs (e.g., travel, medical, subscriptions, licenses, other goods and vendor labor) may require structural savings from other sources within the existing resource envelope.	Net positive differentials from salary/deflator dynamics reserved for use in the event of negative differentials. Reporting on scale of differential in regular budget reporting. On non-personnel input, focus travel resources on highest priority in person engagements, using virtual engagements when appropriate. Regular reports on budget execution and price increases for non-personnel inputs, including exchange rate impact. Departments to monitor cost pressures within the budget envelope.
<b>Capital and modernization (Moderate).</b> Project implementation delays and cost overruns, growing cloud capital expenses, replacement of obsolete infrastructure such as ERP, need to address rapidly changing IT landscape (including Artificial Intelligence) and sizable facilities investments at HQ and overseas.	More strategic prioritization and monitoring (through CBIT) and long-term facilities planning. Closer monitoring of capital planning and execution (including CCE) as part of strengthened governance and organizational capacity.
<b>Contingent liabilities (Minor).</b> Tighter budget and reduced buffers require increase vigilance in monitoring the potential impact of contingent liabilities, e.g., third-party risk issues (e.g., non-performance; litigation) and broader dispute settlement that may lead to unfunded in-year demands.	Continued close coordination with relevant departments, ORM and LEG.

## SECTION VII. SUMMARY PROPOSAL FOR FY26

**26.** Within the total administrative appropriations, separate appropriations and expenditure ceilings are proposed for the Offices of the Executive Directors (OED), the Independent Evaluation Office (IEO), and other administrative expenditure in the Fund (Table 16). The capital budget is made up of building facilities, IT-intensive capital, encompassing direct and cloud capital equivalent spending.

**Table 16. Proposed Appropriations, Financial Year 2026**

(Millions of US dollars, unless otherwise noted)

	General	OED	IEO	Total
<b>Gross Fund-financed budget</b>	<b>1,557.4</b>	<b>128.1</b>	<b>8.2</b>	<b>1,693.8</b>
<b>Net administrative budget</b>	<b>1,443.6</b>	<b>100.2</b>	<b>7.9</b>	<b>1,551.7</b>
<i>of which</i>				
Cyber-security related Top Up	7.6	...	...	7.6
<b>General receipts</b>	<b>49.0</b>	<b>1.6</b>	<b>...</b>	<b>50.6</b>
<b>Temporary resources</b>	<b>64.8</b>	<b>26.3</b>	<b>0.4</b>	<b>91.5</b>
FY25 Fund-financed carryforward (upper limit) <sup>1</sup>	55.8	26.3	0.4	82.5
Other Fund-financed transitional resources <sup>2</sup>	9.0	...	...	9.0
<b>Gross Externally financed budget</b>	<b>296.5</b>	<b>...</b>	<b>...</b>	<b>296.5</b>
Externally financed receipts	288.2	...	...	288.2
FY25 externally financed carryforward (upper limit)	8.3	...	...	8.3
<b>Gross Administrative Envelope (upper limit)</b>	<b>1,853.9</b>	<b>128.1</b>	<b>8.2</b>	<b>1,990.3</b>
<b>Capital budget</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>132.5</b>
Building facilities	...	...	...	61.6
IT-Intensive	...	...	...	70.9
<i>Memorandum items:</i>				
Net administrative budget in mil. of FY25 dollars	1,402.9	97.4	7.6	1,507.9
Fund-financed carryforward, upper limit (in percent) <sup>3</sup>	4.0	...	5.0	...
Externally financed carryforward, upper limit (in percent)	3.0	...	...	...

Source: OBP. <sup>1</sup> Actual carryforward is the lesser of underspend in the current year or the specified ratio (shown in the table) of the current year's net administrative budget. The precise amount will be determined when end-year financial books are closed. <sup>2</sup> Other transitional resources indicate available resources from OED/IEO excess underspend above their carryforward limits. <sup>3</sup> The proposal reflects a decrease in the general carryforward limit from 5 to 4 percent. For OED, the carryforward limit is the greater of the maximum of 30 percent (temporary rise from 20 percent) of the approved budget for each office and two REG2 FTEs. For IEO, this reflects the proposed carryforward limit of 5 percent.

## Proposed Decisions

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

### Decision 1. FY26 Administrative Budget

- A. Appropriations for net administrative expenditures for Financial Year 2026, including \$7.6 million of the proposed top-up to support targeted activities related to cybersecurity and data privacy, are approved in the total amount of US\$1,551.7 million: (a) up to US\$100.2 million may be used for the administrative expenditures of the Offices of Executive Directors, (b) up to US\$7.9 million may be used for the administrative expenditures of the Independent Evaluation Office, and (c) up to US\$1,443.6 million may be used for the other administrative expenditures of the Fund.
  
- B. A limit on gross administrative expenditures in Financial Year 2026 is approved in the total amount of US\$1,990.3 million, with sub limits of (a) US\$128.1 million for the administrative expenditures of the Offices of Executive Directors, (b) US\$8.2 million for the administrative expenditures of the Independent Evaluation Office, and (c) US\$1,853.9 million for the other administrative expenditures of the Fund
  
- C. The gross appropriations set out in paragraph B above, include any underspend from FY25 as follows:
  - a. Amounts appropriated for net administrative expenditures and temporary resources for Financial Year 2025 that have not been spent by April 30, 2025 are authorized to be carried forward and used for administrative expenditures in the Financial Year 2026 in a total amount of up to US\$82.5 million, with sub limits of (a) US\$26.3 million for the

Offices of Executive Directors, (b) US\$0.4 million for the Independent Evaluation Office, and (c) US\$55.8 million for the other administrative expenditures of the Fund.

- b. The amounts of (i) the OED excess underspend above the individual office carryforward limits and underspend from OED central resources from Financial Year 2025; and (ii) the IEO underspend above the carryforward limit.
- c. Amounts appropriated for gross externally financed administrative budget for Financial Year 2025 that have not been spent by April 30, 2025 are authorized to be carried forward and used for gross externally financed administrative expenditures in the Financial Year 2026 in a total amount of up to US\$8.3 million
- d. The amount of any underspend or carryforward with respect to expenditures authorized for the Financial Year 2025 under a, b and c above shall be determined in the Financial Year 2025 year-end closure of the Fund's financial books.
- e. The limit and sub limits for gross administrative expenditure under Paragraph B above shall be adjusted downward if the relevant carry forward amount as established under subparagraph (d) above is less than the maximum authorized under subparagraph (a). above.

## **Decision 2. Capital Budget Appropriations for Financial Year 2026**

Appropriations for capital projects underway or beginning in Financial Year 2026 are approved in the total amount of US\$132.5 million and are applied to the following project categories:

- (i) Building Facilities: US\$61.6 million
- (ii) IT intensive, including direct spending and Cloud Capital Equivalent: US\$70.9 million



## Annex I. Budget Process Overview

1. The budget process begins with the membership's priorities as expressed in the Managing Director's Global Policy Agenda, the IMFC Communiqué. The budget translates these priorities into allocations across departments and outputs. The budget also takes into account Board reviews of the income and expenditure position, staff compensation, and the capital budget. The Committee on Capacity Building (CCB) and a Board briefing on CD priorities support strong CD-budget links.

### **Financial year (t): May 1(t-1) to April 30(t)**

E.g., FY25 = May 1, 2024 to April 30, 2025

### **Gross Administrative Envelope =**

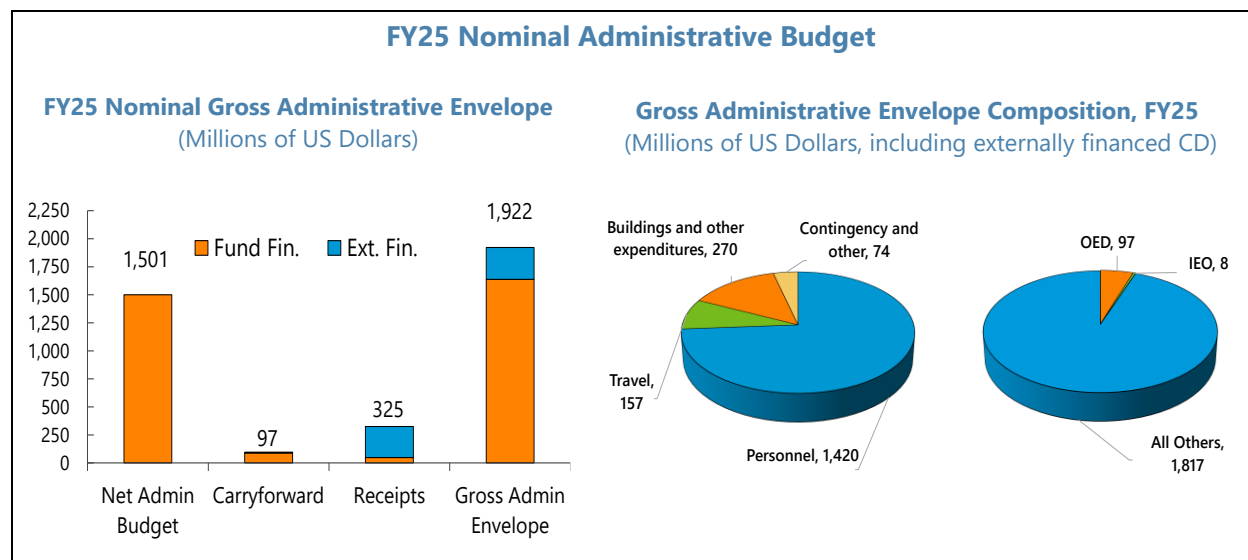
**Net Administrative budget** (structural spending that is Fund-financed. Also, overall Fund-financed appropriations, less general receipts. Does not include expenses funded by IMF02, including staff resources funded through chargebacks.)

Plus

**Receipts** (general receipts + external financing)

Plus

**Carryforward** (Fund-financed and externally financed) **and other transitional transfers** (excess underspend of IEO and OED)



## Carryforward

2. The right to spend budget allocations beyond the period for which budgetary authority is normally granted (12 months). Carryforward (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 FY12. The Board approved an increase in the general CF limit from 3 to 5 percent in 2020, then to 8 percent in 2021 providing breathing space to meet urgent needs during the pandemic period. These levels were reduced to 7 percent in FY23, 6 percent in FY24, and 5 percent in FY25. The limit is proposed to fall to 4 percent in FY26, with a view to reverting to the 3 percent normal limit over time.
  - IEO's CF limit has varied between 5 and 8 percent since FY21. It will remain at 5 percent in FY26.
  - OED CF limit for each office is set at a maximum of 20 percent of the approved budget or the dollar equivalent of two Advisor FTE positions. The OED central carryforward was discontinued effective FY21 in line with the streamlining of OED central budget accounts. The carryforward limit increased temporarily from 20 percent to 30 percent for resources from FY25 to FY26.

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:

$$CF_t = \min (U_t, B_t \times X_t)$$

Where:

$U_t$  = underspend in current FY ( $B_t + CF_{t-1} - E_t$ )

$B_t$  = net administrative budget in current FY

$CF_{t-1}$  = carryforward from previous FY

$E_t$  = net expenditures in current FY

$x_t$  = limit expressed as a percentage of the current year's approved budget. This limit is approved by the Executive Board.

## Capital Budget

3. Financing for investments in IT and building improvements and repairs. Given the long-term nature of these projects, capital budgets are available for three years, after which unspent appropriations lapse. Projects in the capital budget cover acquisition of building or IT equipment; construction, major renovation, or repairs; major IT software development or infrastructure projects.

## Cloud Capital Equivalent (CCE)

4. A sub-category within the capital budget for cloud subscription costs, as per the budgetary treatment approved by the Board in [April 2021](#). The CCE was introduced in response to the Fund's migration from a "purchase/build and maintain" software model to a model based on cloud-hosted platforms with subscription costs, which would have, all else equal, reduced capital spending and increased administrative spending.

## Annex II. Selected Policy Reviews and Evaluations FY25 To-Date

Area	Title	Resource Implications, Where Relevant
Surveillance	IMF Trade Strategy: Implementation and Developments in Global Trade and Trade Policy May 2024	The informal Board presentation provided an update of the recent trade and trade policy development, the progress made in implementing the trade strategy since March 2023, and the next steps which will build on existing work streams to continue to increase advocacy, deepen data and analysis, support surveillance and strengthen dialogue and cooperation with other agencies.
	<a href="#">IEO Evaluation: The Evolving Application of the IMF's Mandate</a> June 2024 MIP: IEO Evaluation on The Evolving Application of the IMF's Mandate February, 2025	The IEO report proposed four recommendations to enhance the decision-making process for Fund engagement in new policy areas; address operational challenges by producing budget data in a manner that allows tracking by policy area across all Fund activities and operations; enhance the clarity of key elements regarding surveillance in new policy areas; and adopt an Executive Board approved high-level Statement of Principles for Engagement with Partners. The MIP proposed activities to enhance the decision-making process for considering the Fund's engagement in new policy areas, further strengthen budget data, and update the 2022 Surveillance Guidance Note build on and reinforce existing processes. Budget implication is neutral as it can be absorbed within existing workstreams if activities proceed as planned.
	<a href="#">2024 Review of the Fund's Transparency Policy and Open Archives Policy</a> (page 50) November 2024	The paper notes that while transitional additional resources might be needed, the medium-term net impact on staff resources would likely be neutral provided savings from proposed actions and improvements in the publication of staff reports are realized.

Area	Title	Resource Implications, Where Relevant
Lending	<a href="#">Interim Review of the Resilience and Sustainability Trust and Review of Adequacy of Resources</a> (page 28) May 2024	The paper stresses that careful advance resource planning, efficiency gains, and mainstreaming will help alleviate time and resource constraints. The overall workload is steadily rising in line with the number of RSF arrangements.
	<a href="#">Targeted Modification of Streamlined Procedures for Approval of Successor Flexible Credit Line and Precautionary and Liquidity Line Arrangements</a> June 2024	The modification has not resource implications.
	<a href="#">Review of Charges and the Surcharge Policy - Reform Proposals</a> October 2024	The paper notes that the reforms will preserve a considerable net income generation capacity and result in projected Precautionary Balances of around SDR 26.7 billion at end-FY2029. This even with the assumption that the suspension of the GRA's reimbursement of PRGT administrative expenses will continue for another five years beyond FY2026.
	<a href="#">Review of the PRGT Facilities and Financing</a> October 2024	The paper notes that addressing the urgent funding needs of the PRGT will require mobilizing substantial additional subsidy resources, including a distribution from the Fund's income and suspending the reimbursement of the PRGT administrative expenses to the GRA for another five years after FY26.
	<a href="#">Comprehensive Review of GRA Access Limits.</a> December 2024	The higher limits do not automatically qualify a member country for higher access. The paper on Considerations of the Comprehensive Review of GRA Access Limits (Nov 2024) noted that estimated impact on the demand for Fund resources is expected to be limited.

Area	Title	Resource Implications, Where Relevant
	<a href="#">IEO Evaluation on the IMF's Exceptional Access Policy</a> December 2024	<p>The Statement by the Managing Director noted that in preparing the forthcoming Management Implementation Plan (MIP) and future work on the Fund's EAP, staff will carefully consider how best to implement the Board-endorsed recommendations, drawing on the IEO's suggestions, while ensuring synergies with existing workstreams and being mindful of resource constraints.</p>
<b>Internal Support</b>	<a href="#">Review of Fund's Communication Strategy</a> November 2024	<p>The paper reviewed how the communications strategy outlined in 2014 has been implemented in the past decade and outlined proposals to update and modernize the Fund's communications approach, which focuses on being more selective; strengthening communication channels and platforms controlled by the Fund, such as IMF.org and IMF Blog; uniting its traditional media operations with social media; deepening engagements with local/regional media and stakeholders; and continuing to bolster staff community and dialogue on institutional priorities. Budget implication is neutral as the proposals were made with a flat real budget assumption.</p>

## Annex III. Statistical Tables

**Annex III. Table 1. Real Administrative Budget, FY20–26<sup>1</sup>**

(Millions of FY25 U.S. dollars)

	Pre-pandemic (FY20)		FY23		FY24		FY25		FY26
	Total		Total		Total		Total	Proj.	Prop. Total
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget
<b>Gross Fund-financed</b>	<b>1,501</b>	<b>1,439</b>	<b>1,574</b>	<b>1,469</b>	<b>1,605</b>	<b>1,502</b>	<b>1,642</b>	<b>1,530</b>	<b>1,649</b>
o/w General Receipts	47	42	39	37	46	42	49	41	49
Total Temporary	47	...	102	...	98	...	93	...	91
<b>Gross Externally Financed</b>	<b>243</b>	<b>200</b>	<b>260</b>	<b>216</b>	<b>268</b>	<b>225</b>	<b>283.4</b>	<b>241</b>	<b>288</b>
o/w Carryforward	...	...	...	...	7	...	8	...	8
<b>Total Gross Administrative Envelope<sup>1</sup></b>	<b>1,744</b>	<b>1,640</b>	<b>1,834</b>	<b>1,685</b>	<b>1,873</b>	<b>1,727</b>	<b>1,925</b>	<b>1,770</b>	<b>1,937</b>
Personnel	1,266	1,249	1,367	1,308	1,391	1,342	1,420	1,378	1,422
Travel	163	118	135	115	157	137	157	141	161
Buildings and other expenditures	281	273	274	261	264	248	270	252	272
Contingency/Other <sup>2</sup>	34	0	58	0	61	0	78	0	83

Source: OBP. Note: Figures may not add to totals due to rounding. <sup>1</sup> Includes general receipts. Excludes travel to the FY24 Annual Meetings in Marrakech. <sup>2</sup> Includes structural contingency reserves, OED/IEO carryforward, and unallocated general carryforward.

**Annex III. Table 2. Real Gross Administrative Expenditures: Travel, FY20–26<sup>1</sup>**

(Millions of FY25 U.S. dollars)

	Pre-pandemic (FY20)		FY23		FY24		FY25		FY26
	Total		Total		Total		Total	Proj.	Total
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn	Prop.
<b>Expenditures</b>	<b>163</b>	<b>118</b>	<b>135</b>	<b>115</b>	<b>157</b>	<b>137</b>	<b>157</b>	<b>141</b>	<b>161</b>
Business travel	131	88	103	87	126	102	118	107	117
Transportation	...	50	...	54	...	60	...	63	...
Per diem	...	37	...	32	...	41	...	44	...
Charters	...	0	...	0	...	0	...	0	...
Seminars & other	20	17	20	15	18	21	26	21	30
Other travel	13	12	12	14	12	14	13	13	13

Source: OBP. <sup>1</sup> Budget and outturn include Fund- and externally financed structural and temporary resources. Excludes travel to the Annual Meeting Marrakech in FY24.

**Annex III. Table 3. Real Gross Administrative Expenditures: Buildings, IT, and Other Expenses, FY20-26<sup>1</sup>**  
(Millions of FY25 U.S. dollars)

	Pre-pandemic (FY20)		FY23		FY24		FY25		FY26
	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Proj. Outturn	Total Prop. Budget
<b>Buildings, IT and Other</b>	<b>281</b>	<b>273</b>	<b>274</b>	<b>261</b>	<b>264</b>	<b>248</b>	<b>270</b>	<b>252</b>	<b>272</b>
Building occupancy	86	83	88	85	84	79	86	82	85
Information technology	88	81	79	77	71	73	76	72	76
Other vendor services	65	53	54	54	56	50	58	50	60
Subscriptions and printing	17	24	26	24	26	23	26	24	26
Communications	10	10	8	7	10	8	8	8	8
Supplies and equipment	4	6	4	6	5	4	4	4	4
Others <sup>2</sup>	11	16	14	10	12	12	12	11	12

Source: OBP. <sup>1</sup> Budget and outturn include Fund- and externally financed structural and temporary resources excluding contingency. <sup>2</sup> Mainly for insurance, Giving Program, and departmental seminar, representation, and sundries/other spending.

**Annex III. Table 4. Real Gross Administrative Expenditures: Receipts FY20-26<sup>1</sup>**  
(Millions of FY25 U.S. dollars)

	Pre-pandemic (FY20)		FY21		FY23		FY24		FY25		FY26
	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Proj. Outturn	Prop. Budget
<b>Receipts</b>	<b>290</b>	<b>242</b>	<b>281</b>	<b>168</b>	<b>293</b>	<b>253</b>	<b>307</b>	<b>269</b>	<b>325</b>	<b>282</b>	<b>329</b>
Externally financed	243	200	244	134	254	216	261	228	276	241	280
General receipts <sup>2</sup>	47	42	37	34	39	37	46	42	49	41	49

Source: OBP. <sup>1</sup> Budget and outturn include Fund-and externally financed structural and temporary resources. <sup>2</sup> Includes Trust Fund Management Fees.

**Annex III. Table 5. Real Gross Administrative Spending by FTF, FY24-26**  
(Millions of FY25 U.S. dollars, unless indicated otherwise)

	FY24		FY25		FY26	Percent of Total				
					Prop. Total Budget	FY24		FY25		FY26
	Total Budget	Outturn	Total Budget	Outturn (proj.)		Total Budget	Outturn	Total Budget	Outturn (proj.)	Total Budget
<b>Country operations</b>	<b>858.9</b>	<b>795.8</b>	<b>880.3</b>	<b>812.8</b>	<b>891.5</b>	<b>45.7</b>	<b>45.9</b>	<b>45.7</b>	<b>45.9</b>	<b>46.0</b>
Bilateral Surveillance and Lending	522.6	494.7	519.5	502.7	523.0	27.8	28.5	27.0	28.4	27.0
Bilateral Surveillance		296.5		306.7			17.1			
<i>Of which:</i>										
Article IV Consultations	...	201.8	...	209.6	...	...	11.6	...	11.8	...
FSAPs/OFCs	...	25.6	...	24.7	...	...	1.5	...	1.4	...
Lending & Other Engagement	...	198.2	...	196.0	...	...	11.4	...		
Prog. and Facilities - GRA.	...	106.5	...	102.4	...	...	6.1	...	5.8	...
Prog. and Facilities - PRGT	...	81.6	...	83.7	...	...	4.7	...	4.7	...
CD Direct Delivery	336.4	301.1	360.8	310.1	368.4	17.9	17.4	18.7	17.5	19.0
Fund Financed	103.0	98.9	112.9	93.4	112.4	5.5	5.7	5.9	5.3	5.8
Externally Financed	233.4	202.2	248.0	216.7	256.0	12.4	11.7	12.9	12.2	13.2
<b>Fund Policies and Analytical Wor</b>	<b>150.7</b>	<b>153.0</b>	<b>153.2</b>	<b>154.8</b>	<b>145.3</b>	<b>8.0</b>	<b>8.8</b>	<b>8.0</b>	<b>8.7</b>	<b>7.5</b>
Fund Policies	...	79.9	...	85.4	...	...	4.6	...	4.8	...
Analytical Work	...	73.1	...	69.4	...	...	4.2	...	3.9	...
<b>Multilateral Surveillance -</b>	<b>187.1</b>	<b>193.1</b>	<b>188.4</b>	<b>199.0</b>	<b>187.2</b>	<b>10.0</b>	<b>11.1</b>	<b>9.8</b>	<b>11.2</b>	<b>9.7</b>
Multilateral Surveillance	...	103.3	...	106.6	...	...	6.0	...	6.0	...
<i>Of which:</i>										
WEO	...	21.4	...	19.8	...	...	1.2	...	1.1	...
GFSR	...	12.5	...	13.9	...	...	0.7	...	0.8	...
Fiscal Monitor	...	5.7	...	6.6	...	...	0.3	...	0.4	...
REOs	...	17.0	...	19.6	...	...	1.0	...	1.1	...
Global Cooperation/Standards	...	89.8	...	92.3	...	...	5.2	...	5.2	...
<b>Fund Governance and Finances</b>	<b>213.8</b>	<b>183.4</b>	<b>220.7</b>	<b>183.4</b>	<b>226.8</b>	<b>11.4</b>	<b>10.6</b>	<b>11.5</b>	<b>10.4</b>	<b>11.7</b>
<b>Corporate Functions</b>	<b>384.0</b>	<b>368.7</b>	<b>383.6</b>	<b>372.4</b>	<b>359.8</b>	<b>20.4</b>	<b>21.3</b>	<b>19.9</b>	<b>21.0</b>	<b>18.6</b>
<b>HR Programs<sup>1</sup></b>	<b>22.5</b>	<b>15.6</b>	<b>21.6</b>	<b>24.4</b>	<b>20.6</b>	...	...	...	...	...
<b>Center and reconciliation</b>	<b>62.9</b>	<b>24.6</b>	<b>77.5</b>	<b>23.6</b>	<b>105.8</b>	...	...	...	...	...
<b>Total</b>	<b>1,879.9</b>	<b>1,734.3</b>	<b>1,925.4</b>	<b>1,770.4</b>	<b>1,937.0</b>	...	...	...	...	...

Source: TRACES, TIMS, IBBIS, staff estimates. <sup>1</sup> Funds not mapped to specific outputs under existing tools.



**Annex III. Table 6. Nominal Capital Budget and Expenditures, FY20-26**  
(Millions of U.S. dollars)

	Formula Key	Facilities	Information Technology	IT Cloud Capital Equiv.	HQ2	HQ1 Renewal	Total Capital
<b>FY 20</b>							
New appropriations	(36)	41	45			0	86
Total funds available	(37) = (35) + (36)	89	68			39	196
Expenditures	(38)	42	42			23	107
Lapsed funds	(39)	2	0			0	2
Remaining funds	(40) = (38) - (39)	45	26			16	88
<b>FY 21</b>							
New appropriations	(41)	42	56			0	99
Total funds available	(42) = (40) + (41)	88	82			16	186
Expenditures	(43)	26	50			2	77
Lapsed funds	(44)	2	0			0	2
Remaining funds	(45) = (42) - (43) - (44)	60	33			15	107
<b>FY 22</b>							
New appropriations	(46)	24	46	10		0	79
Total funds available	(47) = (45) + (46)	83	79	10		15	186
Expenditures	(48)	22	60	9		-1 <sup>3</sup>	90
Lapsed funds	(49)	8	0	0		0	8
Remaining funds	(50) = (47) - (48) - (49)	54	18	0		16	87
<b>FY 23</b>							
New appropriations	(51)	19	44	15		0	78
Total funds available	(52) = (50) + (51)	73	62	15		16	165
Expenditures	(53)	38	45	13		0	95
Lapsed funds	(54)	7	0	2		16	25
Remaining funds	(55) = (52) - (53) - (54)	27	18	0		0	45
<b>FY 24</b>							
New appropriations	(56)	47	41	20		0	108
Total funds available	(57) = (55) + (56)	75	58	20		0	153
Expenditures	(58)	49	42	20		0	111
Lapsed funds	(59)	0	0	1		0	1
Remaining funds	(60) = (57) - (58) - (59)	25	17	0		0	42
<b>FY 25</b>							
New appropriations	(61)	54	45	23		0	122
Total funds available	(62) = (60) + (61)	79	62	23		0	164
Expenditures (Est)	(63)	60	44	22		0	126
Lapsed funds <sup>1</sup> (Est)	(64)	0	1	1		0	2
Remaining funds <sup>2</sup> (Est)	(66) = (62) - (63) - (64)	19	16	0		0	36
<b>FY 26</b>							
New appropriations (Prop.)	(67)	62	45	26		0	133
Total funds available (Est.)	(68) = (66) + (67)	81	61	26		0	168

Source: OBP, CSF, and ITD. <sup>1</sup> Reflects funds not spent within the three-year appropriation period. <sup>2</sup> Unspent budget appropriation in the period, which can be used in the remaining period(s). <sup>3</sup> Project closeout adjustments, mainly the return of unused contractor retainage.