INTERNATIONAL MONETARY FUND

IMF POLICY PAPER

FY2027-FY2029 MEDIUM-TERM BUDGET

May 2026

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 28, 2026 consideration of the staff report.
- The **Staff Report** on the Medium-Term Budget was prepared by the IMF staff and completed on March 31, 2026 for the Executive Board's consideration on April 28, 2026.

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International Monetary Fund
Washington, D.C.

PRESS RELEASE

PR 26/144

IMF Executive Board Approves FY2027–FY2029 Medium-Term Budget

FOR IMMEDIATE RELEASE

Washington, DC—On April 28, the Executive Board of the International Monetary Fund (IMF) approved the 2027-29 financial years (FY2027-FY2029) medium-term budget.

This budget was formulated against the backdrop of a global economy that has shown resilience in recent years but continues to face profound transformations, elevated uncertainty, and unexpected shocks, including the war in the Middle East. In this environment, member countries continue to rely on the IMF for support across its full range of operations.

To meet the evolving needs of the IMF's member countries, the FY2027-FY2029 budget maintains a longstanding emphasis on discipline, focus, and agility. It is anchored in a flat real net administrative envelope, which is roughly the same in real terms as it was two decades ago. A Fund-wide streamlining effort is helping departments focus on the highest priority needs, alleviate staff work pressures, and respond to unforeseen demands. The Board underscored the importance of continued prudent stewardship of members' resources to ensure that the Fund remains agile and responsive.

The approved net administrative budget for FY2027 (May 1, 2026–April 30, 2027) totals US$1,601.3 million, consistent with projected income and the path for the precautionary balances target. The maximum amount of unused budget resources from previous years will be reduced from 4 to the historical norm of 3 percent. This change completes the unwinding of exceptional pandemic-related temporary funding.

The FY2027 capital budget is set at US$129.4 million with a refocused facilities portfolio prioritizing essential lifecycle and maintenance projects across two headquarters facilities and field offices. IT-related investments will strengthen cybersecurity, address historical under-investment and scale the use of artificial intelligence across core functions.

Additional information can be found in the staff paper on the FY27-29 Medium-Term Budget.

March 31, 2026

FY2027-FY2029 MEDIUM-TERM BUDGET

EXECUTIVE SUMMARY

FY27-29 budget framework. The global economic and financial environment is characterized by profound transformation and heightened uncertainty, including that stemming from the war in the Middle East. In this context, demand for Fund engagement is expected to remain strong, continuing to require difficult trade-offs within a real flat budget. The FY27-29 budget maintains a longstanding emphasis on discipline, focus, and agility in line with the evolving needs of the membership. Implementation of a Fund-wide streamlining exercise is reinforcing ongoing department-level prioritization to create space for the highest priority needs, relieve staff work pressures, and maintain capacity for unforeseen demands.

FY27 net administrative budget (NAB). The proposed NAB maintains real structural resourcing at FY26 levels. This implies a decline in overall net resources available to departments, due to further unwinding of temporary pandemic-era resources that had been created with exceptional carryforward. Within available budget space, allocations reflect continued rebalancing of activities toward funding for direct country support, and with FY27 expected to see increased work related to trade/global imbalances and debt, as the Fund continues to respond in an agile manner to members' evolving needs.

External funding. The externally funded budget, mainly supporting capacity building support to members, will remain stable in real terms at FY26 levels.

Capital budget. The proposed FY27 capital budget is below the level proposed for FY27 in the FY26-28 Medium-term Budget with refocusing of the facilities portfolio on essential lifecycle and maintenance projects in both HQ and field offices. Funding for IT-intensive investments remains at last year's level in real terms, supporting implementation of the Fund's Business Technology Strategy, expanding cybersecurity capabilities, scaling AI across core business, and reducing technical debt.

Sustainability. The FY27–29 budget remains consistent with projections for the Fund's medium-term income position and precautionary balances.

Risks. Budget-related risks include potential for further increases in demand for Fund services; resurgence of broad-based work pressures; pricing pressures for some inputs and services; uncertainty related to donor funding; and technology and process-related vulnerabilities. These issues are captured within the enterprise risk framework, with specified mitigation incorporated in allocations and residual risks monitored on an ongoing basis.

Approved By
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CONTENTS

TABLES

ANNEXES

Abbreviations and Acronyms

ADs	Area Departments
AFR	African Department
APD	Asia and Pacific Department
BSL	Bilateral Surveillance and Lending
CBDC	Central Bank Digital Currency
CCBR	Comprehensive Compensation and Benefits Review
CCRT	Catastrophe Containment and Relief Trust
CD	Capacity Development
CDDs	CD Departments
CDEF	Externally Financed Capacity Development
CDFF	Fund-Financed Capacity Development
CDMAP	Capacity Development Management and Administration Program
CDSR	Capacity Development Strategy Review
CFX	Corporate Functions
COM	Communications Department
CSF	Corporate Services and Facilities Department
CSR	Comprehensive Surveillance Review
ECF	Extended Credit Facility
EFF	Extended Fund Facility
ERM	Enterprise Risk Management
EUR	European Department
FACTS	Financial Administrative Control and Tracking System
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
GPA	Global Policy Agenda
GRA	General Resource Account
HRD	Human Resources Department
ICD	Institute for Capacity Development
IEO	Independent Evaluation Office
ITD	Information Technology Department
LEG	Legal Department
LOE	Lending including Other Engagement
MCD	Middle East & Central Asia Department
MCM	Monetary and Capital Markets Department
MSGS	Multilateral Surveillance and Global Standards
NAB	Net Administrative Budget

OBP	Office of Budget and Planning
OED	Office of Executive Directors
PA	Policy and Analytics
PCI	Policy Coordination Instrument
PRGT	Poverty Reduction and Growth Trust
RES	Research Department
RSF	Resilience and Sustainability Facility
RST	Resilience and Sustainability Trust
SEC	Secretary's Department
SPR	Strategy, Policy, and Review Department
SSG	Secretarial Support Group
STA	Statistics Department
TFMF	Trust Fund Management Fee
TIMS	Travel Information Management System
TRACES	Time Reporting for Analytic Costing and Estimation System
TRM	Office of Transformation Management
UCT	Upper-Credit Tranche
WHD	Western Hemisphere Department

SECTION I. OVERVIEW

A. Strategic Context and FY27-29 Budget Summary

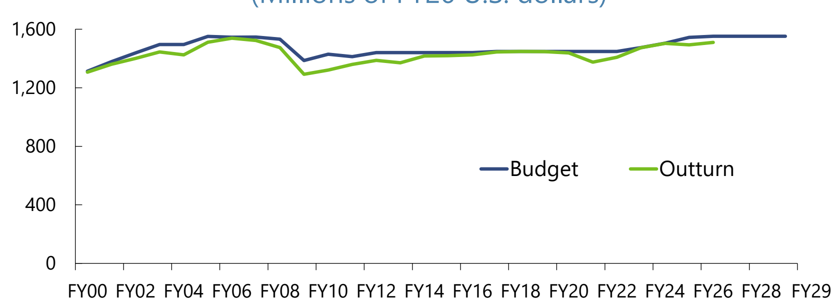
1. Context. With the global economic environment characterized by profound transformation and heightened uncertainty, including that stemming from the war in the Middle East, demand for Fund engagement remains strong (Box 1).

- The October 2025 and January 2026 WEO underscore that a volatile global environment marked by trade fragmentation along with fiscal vulnerabilities, elevated debt, constrained policy space, and heightened rollover risks underlies sustained strong demand for Fund support. The forthcoming Spring 2026 WEO will provide an assessment of the impact of the war in the Middle East and of downside risks to the global outlook. Requests for surveillance and tailored policy advice remain intensive, as countries seek guidance on managing inflation, rebuilding fiscal buffers, preserving financial stability, and navigating the transformation in the global economy. Demand for Fund lending arrangements—covering traditional stabilization needs, as well as resilience objectives—and for capacity development remains robust and will be further affected by the still uncertain impact of the Middle East crisis.
- The Fund's medium-term strategic directions, set out in the Spring 2025 GPA and updated in the Fall 2025 GPA, seek to ensure that the Fund continues to put its resources to the best service of the membership. Resource planning is guided by these strategic directions, as well as strategy/policy reviews setting out issue-specific objectives (Box 2 and Annex II). The forthcoming Spring 2026 GPA will also inform prioritization as the membership navigates the risks from the crisis.

2. Budget prudence (Figure 1). The FY27-29 budget maintains a longstanding emphasis on discipline, focus, and agility to meet the rapidly evolving needs of the membership. This will require continued robust prioritization at the Fund-wide and departmental level to ensure alignment of resources with evolving priorities and agility to respond quickly to changing circumstances, focusing on member-facing activities and accounting for associated risks (Box 3). It also requires continued, strict focus on issues within the Fund's mandate and close cooperation with partners.

Figure 1. Net Administrative Budget and Outturn, FY00-29p

(Millions of FY26 U.S. dollars)



Source: FACTS, OBP. Excl special allocations for overseas Annual Meetings.

3. The FY27-29 budget is grounded in a flat real net administrative envelope. The temporary carryforward limit will return to 3 percent, its historic norm, closing out the period of exceptional pandemic-related temporary funding. Elements of the FY27 budget (Table 1) include:

- The **Net Administrative Budget** (NAB) will total $1,559.2 million in FY26 dollars, or $1551.7 million excluding special provisions for the overseas annual meetings to be held in Thailand.
- The **gross budget** will total $1,982.5 million in FY26 dollars, down $8.2 million from FY26, due to the drop in carryforward, partially offset by special provisions for overseas annual meetings.
- **General funding for departments** (NAB plus temporary resourcing, excluding OED/IEO) will decline by $8.6 million in FY27 to $1,502.1 million in real terms (not including the special provisions for the overseas annual meetings). This includes structural funds expected to be released from the OED budget, partially offsetting the decline in general temporary resources.

Box 1. Potential Budget Impact of the War in the Middle East

The potential impact of the war in the Middle East on the region, the global economy, and the Fund remain highly uncertain. This box looks at the immediate and prospective impact on resourcing needs.

Travel/Personnel in the Field. Since the onset of the conflict, travel to some countries in the region has been temporarily suspended. In addition, CSF Security and relevant department teams are in close contact with affected staff and taking steps to ensure the Fund remains responsive as circumstances evolve, including through evacuations of staff, long-term experts, and dependents.

Operations impact. While it is too early to assess the impact on the region and the global economy, there are early signals of disruptions to trade and economic activity, surges in energy prices, and volatility in financial markets that could have a negative economic and financial impact on the wider membership, especially on vulnerable countries. The Fund will need to maintain its capacity to respond nimbly under dynamic and fast-moving circumstances as the fallout becomes clearer.

- **Surveillance and lending.** While some activities may also be disrupted in the next few weeks by travel restrictions and rising travel costs, the crisis may translate into a considerable increase in intensive surveillance and could lead to higher demand for financial support. Higher reliance on virtual or third-country locations is helping sustain country engagement. Beyond direct country support, additional demands are emerging or anticipated for risk surveillance, scenario analysis, market monitoring, vulnerability assessments and country review.
- **CD.** The conflict may lead to a decrease in in-person CD activities in the short term, with a potential rebound to support increased country programs through related technical advice in the medium-term. Some departments are adapting by shifting modalities and, in some cases, reallocating CD activities geographically, after consultation with area departments.
- **Corporate functions.** The conflict is also generating unanticipated pressures on support work, including inter-departmental coordination to ensure business continuity and operational resilience, higher demands for Board engagement, Management support, internal and external communications, Spring Meetings preparations, and cybersecurity monitoring amid elevated threat levels.

Resource impact. Immediate crisis response has intensified work across a range of functions, affecting near-term overtime. At this stage, most departments have maintained their FY26 spending projections and their spending plans for FY27 given the high level of uncertainty, including on the duration of the conflict. Experience during previous crises suggests that a rapid reallocation of staff resources to multilateral surveillance and direct country support activities may be needed. Consistent with the real flat budget, potentially higher operational needs will be met through intra- and inter-departmental reallocations and overtime, central savings (e.g. travel and events) and drawdown of buffers.

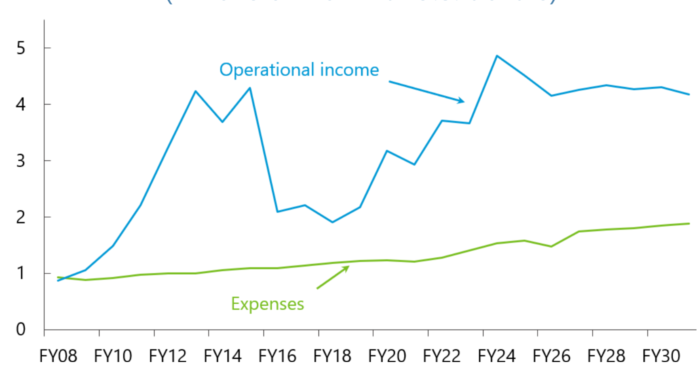
Table 1. Administrative and Capital Budget Envelopes, FY26-29
(Millions of FY26 U.S. dollars)

	FY26				FY27			FY28	FY29
	Structural	Temp	Total	Outturn (est)	Structural	Temp	Total	Indicative Total Budgets	
Gross Fund Financed	**1,600.7**	**93.7**	**1,694.4**	**1,550.9**	**1,607.8**	**78.1**	**1,685.9**	**1,666.5**	**1,665.9**
Net admin budget	1,551.7	...	1,551.7	1,507.5	1,559.2	...	1,559.2	1,551.7	1,551.7
o/w Annual Meetings	...	...	...	...	7.5	...	7.5	...	...
General Receipts[1]	49.0	...	49.0	43.4	48.6	...	48.6	48.6	48.6
Carryforward limit	...	82.5	82.5	...	...	66.4	66.4	63.2	62.6
Other Temporary[2]	...	11.3	11.3	...	...	11.7	11.7	3.0	3.0
Gross Externally Financed	**288.0**	**8.3**	**296.2**	**249.2**	**288.0**	**8.6**	**296.6**	**296.6**	**296.6**
Receipts (largely CD-related)	288.0	...	288.0	249.2	288.0	...	288.0	288.0	288.0
Carryforward (limit)	...	8.3	8.3	...	...	8.6	8.6	8.6	8.6
Gross admin envelope	**1,888.6**	**102.0**	**1,990.6**	**1,800.1**	**1,895.8**	**86.7**	**1,982.5**	**1,963.1**	**1,962.5**
Capital[3]	132.5	...	132.5	131.0	126.0	...	126.0	127.0	138.0
Memorandum items:									
General NAB + Temp Envelope[4]	1,443.6	67.1	1,510.7	1,410.5	1,452.4	55.0	1,507.4	1,490.7	1,490.5
General NAB + Temp (excl AMs)[4]	1,443.6	67.1	1,510.7	1,410.5	1,447.1	55.0	1,502.1	1,490.7	1,490.5
General carryforward limit[5]	...	55.8	...	...	...	43.3	...	43.6	43.4
OED/IEO carryforward limit[6]	...	26.6	...	...	...	23.1	...	19.6	19.2

Source: OBP. [1] Receipts excl. donor funding. [2] OED/IEO transfers above their carryforward limits. [3] Reflects 3-year funding availability. [4] Reflects a structural reduction by $3.51 million in the OED budget comprising a $3.15 million decline in central buffers and a $0.36 million technical adjustment. [5] Excludes OED/IEO. 3 percent except FY26 (4 percent). [6] Reflects FY26/FY27 temp rise in OED limit.

4. Income-budget dynamic (Figure 2)**.** Based on FIN's income projections, the FY27–29 budget remains consistent with a projected surplus in the medium-term income position and precautionary balances above the medium-term target of SDR 25 billion ($34 billion). Projected operational income remains above spending throughout the projection period. The forthcoming report on the Fund's Income Position for FY26/FY27 will provide assumptions underlying these projections.

Figure 2. Income and Expenses, FY08–30
(Billions of Nominal U.S. dollars)



Source: FIN. Methodology for calculations are available in the [Report on the Fund's Income Position for FY25 and FY26.]

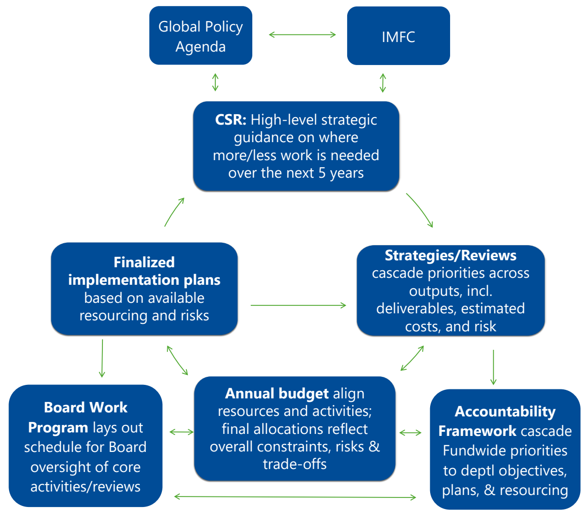
5. Paper structure. Section I sets out the medium-term context and outlines the preliminary FY27 budget proposal. Section II presents projected FY26 budget execution and details of the proposal. Section III discusses the preliminary FY27 capital budget proposal. Section IV discusses budget risks and mitigation. Section V presents the FY27 proposed decisions. Annexes provide definitions and significant additional background and time-series data.

Box 2. Medium-Term Strategy and Resource Allocation

The Fund's agility—mobilizing resources rapidly in crises to meet changing needs—builds on iterative, mutually reinforcing strategic practices to prioritize and support nimble budget and organizational structures:

Strategic direction. The Fund's budget takes as its starting point the strategic priorities set out by the IMFC and in the GPA, and as reflected in issue-specific strategy/policy and risk reviews. These priorities feed into the Board Work Program and cascade to departmental planning in management-led Accountability Framework (AF) discussions twice a year. Through an iterative process, implementation plans are taking into account risks and available resources, requiring difficult trade-offs.

Strategy and Resourcing



Source. SPR and OBP.

GPA: Building on input from the membership, the 2025 Spring and Fall GPAs laid out medium-term directions anchored in five pillars: sharpening focus of surveillance, fortifying lending toolkits, addressing debt challenges, enhancing CD, and maintaining a strong, agile institution.

- **Key Reviews:** Annex II sets out reviews in FY26; Key reviews to be completed in FY27 include:
  - The **Comprehensive Surveillance Review** (**CSR**) is a key pillar in prioritizing Fund engagement. As outlined in a February CSR Board technical briefing, emerging directions for Fund work include: a) policy advice to support resilience and growth; b) enhanced risk management advice, including risks to baseline advice anchored in multilaterally consistent risk scenarios; and c) analysis of external imbalances and spillovers.
  - The **FSAP Review** will consider how to deepen macro-financial analysis, including by reviewing methodology for designating mandatory assessments and examining the traction of the program.
  - The **Review of Conditionality** will center on ensuring that the design of Fund programs is fit-for-purpose in an evolving global economic context to better support external viability and resilience.

The reviews will include a discussion of the resource implications of key recommendations. Given the timeline for their completion, their outcome will mainly inform the FY28-FY30 budget cycle, with any early implementation in FY27 drawing on existing budget flexibility.

Strategic budgeting. The winter AF exercise focuses on consistency between strategic priorities and budget allocations, centering on departmental objectives, streamlining efforts (Box 2), risks and resource needs, serving as a key input in budget formulation. Reflecting the IEO's "Evolving Application of the Fund's Mandate:

- the AF/budget process monitors/reviews activities/resourcing in macro-critical structural areas (Annex IV).
- work to enhance budget data and reporting recognizes their importance for strategic prioritization and monitoring, building on strong data foundations (Annex V).

Agile organizational structure: The Fund's work is supported by collaborative practices across regionally focused area departments and specialized functional departments, along with support and oversight offices. Individual country and project teams are made up of staff from across departments, with significant flexibility to adjust the size and make up of teams as needs change. The Fund's personnel model—bringing together macroeconomists and specialists—reinforces these benefits.

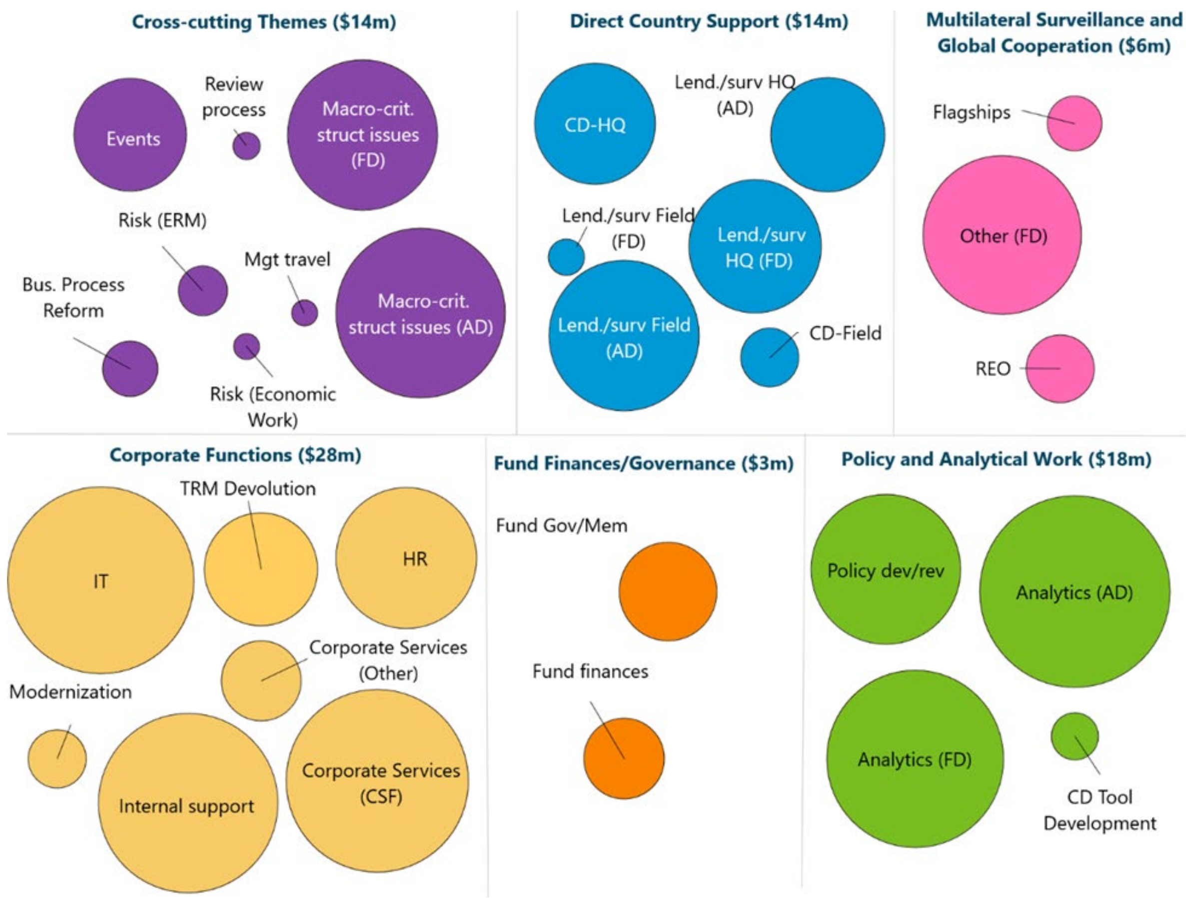
Box 3. Streamlining and Reprioritization

The Fund's ability to meet the changing needs of its membership within a roughly flat overall budget envelope over two decades has depended on continuous streamlining and reprioritization efforts. This has included annual department level savings and periodic cross-departmental streamlining exercises.

Annual savings/reprioritization. As part of the annual budget process, departments have provided savings/reprioritization on the order of 4-5 percent of their structural budgets in recent years, enabling them to shift resources toward the most pressing needs, taking advantage of the nimble organizational and HR structures (Box 2). Significant additional temporary savings were also redeployed during the pandemic.

FY27 gross departmental savings (from temporary and structural resourcing) total about $84 million (5.4 percent of NAB resources). These savings are broad-based, incorporating both top-down guidance from the FY26 management-led streamlining exercise and department-level efficiencies in terms of processes, activities, inputs, and outputs. The devolution of the functions of the Office of Transformation Management to four other departments also allowed for $2.4 million in structural savings and reduction in temporary resources.

Departments Reprioritization/Savings (Gross Reductions)

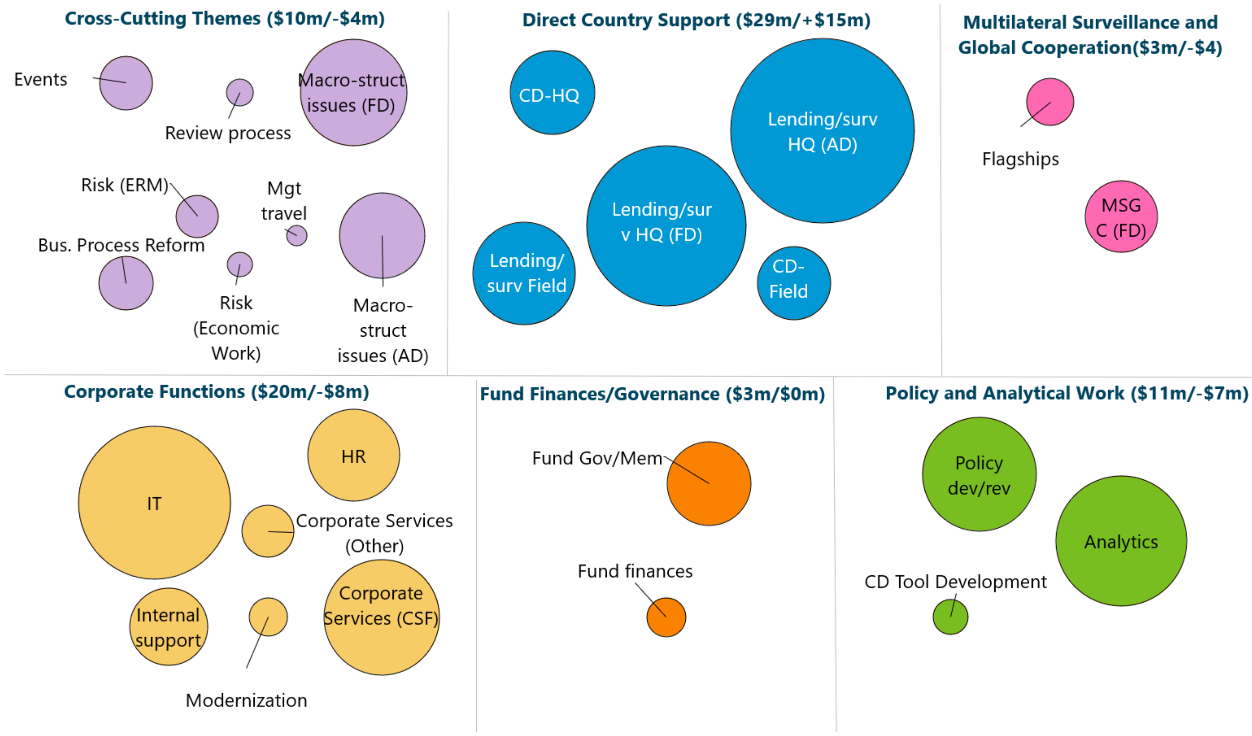


Source: OBP and Departments. Note. The bubble size represents the scale of reprioritization/savings for each item.

Box 3. Streamlining and Reprioritization (continued)

Gross and Net Reallocations. Some $76 million (4.9 percent of the NAB) in gross savings will be reallocated to new activities within and across departments; the remaining $7.6 million will drive a net reduction in temporary funding. The figure below provides information on gross increases at the activity level, with the net changes in each of the headline categories provided as well. For example:

Gross Departments Reallocations (Gross/Net Uses), FY27[1]



Source: Department and OBP. [1] Reflects gross use of resources funded by savings/streamlining for each item. Headlines for each group also include net changes.

- Departments estimate a net decline in cross-cutting activities by some $4 million, with a drop in work in macro-structural issue areas by a net $3.4 million. The latter stems largely from a decline in work on climate and gender issues from peak levels during the buildout of new practices in these areas, as further detailed in Annex IV. Limited net savings are projected from risk and business process reform work.
- Other changes at the activity level beyond work in these cross-cutting areas have been grouped by output area, with more comprehensive coverage of changes by output area (inclusive of cross-cutting activities) provided in Section II. In terms of overall trends, direct country work will grow, while budgets for specific activities under multilateral surveillance/global cooperation, policy/analytical work, and corporate functions will decline. Work on Fund finances and governance are expected to be relatively stable.

Fund-wide streamlining initiatives in FY16, FY19, FY21, complemented department-specific initiatives to reinforce room for reprioritization. In a similar vein, the current management-led streamlining initiative seeks to enhance efficiency, reduce overtime, and provide buffers for unexpected work demands through collective action across departments. It comprises actions for immediate implementation under Management's purview and an expected second wave of measures that require further action or are subject to consideration by the Executive Board for medium-term implementation.

Box 3. Streamlining and Reprioritization (concluded)

The specific initiatives under the first wave of the exercise were set out in summer 2025. Measures focused on utilizing flexibility available under current policies for more focused bilateral surveillance; more selective coverage of macro structural issues; streamlining flagships and REOs moderately; rationalizing internal and external communications; streamlining Annual/Spring Meetings' events and logistics; and increasing efficiency in risk management activities and products where costs are high relative to risk mitigation while staying within the Board's risk tolerance.

A recent survey of departments indicated good progress since summer FY26 in implementation (with some initiatives having already seen some progress in FY25).

- The gross impact reported by departments for FY26-27 totals $57 million. As noted, this impact is reflected both in reduced overtime and as part of broader savings/reprioritization. The survey was conducted prior to the war in the Middle East, which may have some impact on the pace of changes in some areas.
- About 2/3 of the reported impact comes from the mainstreaming of work on climate and gender/ inclusion, again reflecting the evolution towards more steady-state levels following the buildout phase, with this impact spanning across outputs (e.g. CD and policy & analytics as well as bilateral surveillance).
- Ongoing process reforms are contributing to efficiencies but some of the bigger initiatives in this area requiring fuller exploration are not captured in departmental estimates. Departments estimate that about a third of the expected impact has been achieved through the first six months of implementation.

First Wave Streamlining Measures
(Projected Gross Impact, FY26 US Dollars)

Bilateral Surveillance ($40 million)	• Art IV Consultations (more targeted coverage and more selective analytical work) • Mainstreaming of macro-structural issues • Twice-yearly Consistent Policy Assessments discontinued
Multilateral Surveillance ($3 million)	• Flagships/REOs (e.g., reduced analytical chapters/length/frequency) • Reduced frequency and size of management-led surveillance meetings
External and Internal Communications ($1 million)	• Revamped governance structures for publications • Steady reduction in external publications and internal communication, responding to new guidelines
Interdepartmental Review Process ($2 million)	• More risk-based review and clearances • Effectiveness of the review process strengthened
Risk Surveillance & ERM ($2 million)	• More targeted risk surveillance products (discontinued tail risk group and more efficient vulnerability exercise) • Rationalization of ERM processes (incl. financial risk report, Fund@Risk survey)
Events/Outreach ($1 million)	• Reduction of HQ-based events • Rationalization of mgt travel • Annual/Spring Meetings optimization
Other ($8 million)	• Business process streamlining • Vendor/contract renegotiation • Miscellaneous policy and analytical work

Source: Initial Departmental Estimates.

Together with efficiency-seeking and other savings measures, streamlining efforts have contributed to an aggregate decline in overtime of about ¾ of a percentage point from FY25 to FY26 year-to-date (through February), based on a rolling 12-month window (Box 7). Overall, overtime is down some 3.6 percentage points from its peak during the crisis.

OIA will support monitoring of implementation by this summer, with the Board to be updated on this effort in their regular activity report.

SECTION II. FY26 PROJECTED OUTTURN AND FY27 PROPOSED BUDGET

6. **FY26 Developments.** As anticipated in the FY26-28 Medium-Term Budget, Fund activities in FY26 continued to focus on direct support to members through country operations and multilateral surveillance, as well as ongoing work to review and update the Fund toolkit to ensure agility to meet evolving needs (Box 4).

Box 4. Key Achievements in FY26

Country Operations:

- Financing approved to 15 countries (5 LICs)
- 5 RSF operations approved, 4 in train
- 99 Article IV consultations, 6 FSAPs concluded
- 174 countries/territories received CD

Multilateral Surveillance and Global Cooperation

- 4th financing for Development Conference—IMF Contribution to Agenda
- Global Financial Safety Net—A stocktaking
- External Sector and Capital Flows Developments in the Wider membership.
- Developments in Global Trade and Trade Policy and Implementation of the IMF Trade Strategy
- Global Developments in Payments, Crypto Assets
- Stablecoins and Capital Flows
- Macroeconomic Developments and Prospects in LIC
- G20 work on Aging, Migration, and Productivity; Inclusive Growth; and Data Gap Initiatives
- Risk and Resilience in the Global Foreign Exchange Market

Policy/Analytical

- Launched major institutional reviews (CSR, FSAP Review, ROC)
- Review of the Short-term Liquidity line
- Review of the Cumulative Access Limits Under the Rapid Credit Facility
- Review of the Debt Sustainability Framework for Low-Income Countries
- Managing Global Imbalances including EBA Methodology Update
- Mainstreaming IPF in Surveillance
- CBDC Handbook
- CD Strategy Review (2024) implementation progress

Policy/Analytical (continued)

- Bridging Skill Gaps for the Future: New Jobs Creation in the AI Age
- Growth and Structural Policies—Findings from Recent Cross-Country Analysis and Country Engagements Estimating Fiscal Multipliers Across Countries
- Fiscal Guardrails against Rising Debt and Looming Spending Pressures

Fund Finances

- Enhanced country risk monitoring
- Review of Precautionary Balances
- Implement 2024 PRGT Reform (Phase I)
- IPAA-related operations

Fund Governance

- IMF Quota and Governance Reforms Since 2000
- Progress with meeting conditions for implementing the 16th Review Quota increases.
- The 17th Quota Review—Two Reports of the Executive Board to the Board of Governors
- Principles to guide future discussions on IMF quotas and governance
- Management Implementation Plan on the IEO Review of Exceptional Access.

Corporate functions

- Completed mobility round for fungible economists
- Workforce planning tools enhancements
- Mental health training.
- Guidance note for operationalizing ERM.
- Implementing Business Technology Strategy, incl. cybersecurity strategy and data privacy
- Space optimization, key systems replacements in HQ, and facilities improvements in the field
- Common Review System

7. Budget utilization.

General utilization of the Fund-financed structural budget (excluding OED/IEO) is projected to rise versus FY25 and remain just below the structural envelope given projected underspend of travel resource and downward pressures from increases in the salary/deflator reserve (Table 2; Text Box).

- **OED/IEO** utilization is projected to rise versus FY25, but material underspend continues, driven by low use of central OED resources.
- **Externally financed resource** utilization is projected by departments to increase, albeit with overall utilization still constrained, mainly by rigidities in the permissible use of resources.

Salary-Deflator Reserve

The move to a CPI-based Fund-deflator in FY21 stemming from decisions in the Comprehensive Compensation and Benefits Review delinked the prior direct link with changes in the salary structure (with personnel costs making up 78 percent of gross expenditure). To address related risks, a salary-deflator reserve was established to save any positive differential in periods when the structural salary increase was below the deflator to be used in periods when this differential is negative (thereby protecting real expenditures. As of FY26, this reserve totals about $15 million (1 percent of the NAB).

Table 2. Budget Utilization, FY25-26[1]

(In millions of FY26 U.S. dollars, unless otherwise indicated)

	FY25				FY26			
	Fund-financed		Externally financed	Total	Fund-financed		Externally financed	Total
	Struc Budget	Percent	Percent	Percent	Struc Budget	Percent	Percent	Percent
Total Net	**1,544**	**96.7**	**...**	**96.7**	**1,552**	**97.2**	**...**	**97.2**
Personnel	1,211	100.9	86.5	99.0	1,221	101.1	86.4	99.0
Staff	1,060	101.0	113.3	101.5	1,073	100.9	113.3	101.4
Non-Staff	151	100.0	78.3	89.4	148	102.1	78.2	90.0
Travel	94	85.2	77.7	82.1	93	83.8	86.8	85.1
Buildings/IT/Other	247	94.2	59.2	90.4	240	99.7	86.4	98.6
Contingency/Other buffers	42	0.0	...	...	47	0.0	...	...
Receipts	**50**	**84.8**	**81.5**	**82.0**	**49**	**88.6**	**86.5**	**86.8**
Total Gross	**1,594**	**96.3**	**81.5**	**94.1**	**1,601**	**96.9**	**86.5**	**95.3**
Memorandum items:								
General	1,436	97.5	...	97.5	1,444	97.7	...	97.7
OED/IEO	108	85.7	...	85.7	108	89.8	...	89.8

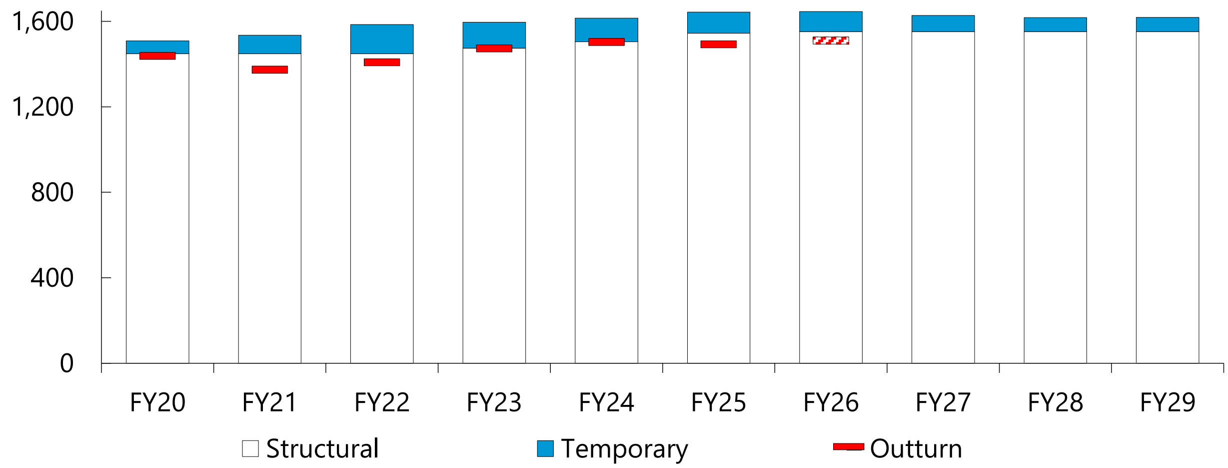
Source: OBP. FY25 budget distribution of OED final budget allocation. [1] Utilization based on structural and temporary spending in numerator and structural budget in denominator. No use of contingency/other buffers in FY25 or FY26.

8. Proposed FY27 budget (Figure 3 and Table 3). The real NAB (excluding provisions for overseas annual meetings) is proposed to remain flat, albeit with the general NAB plus temporary resourcing declining slightly in real terms with the final unwinding of carryforward resources.

- The FY27 **deflator** will be 2.7 percent, based on actual average U.S. CPI for CY2025, under the methodology established in the FY24-26 Medium-Term Budget, as adjusted (Annex I).
- **Salary/Deflator dynamics.** These dynamics imply a net positive impact in FY26 dollars, as detailed in Annex I. Consistent with Board guidance, these resources will be added to the structural salary reserve for use in years where there are negative differentials. Consistent with agreements under the CCBR, no space for HR competitiveness measures is created in FY27.

Figure 3. Net Administrative Budget & Temporary Funding, FY20-29

(Millions of FY26 U.S. dollars)



Source: OBP. Excl special allocations for overseas Annual Meetings.

Table 3. Budget Envelope, FY26-27

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

	FY27 Proposal						Total FY26-27 Change	
	Real			Nominal			Real	
	Struct	Temp	Total	Struct	Temp	Total	Units	Percent
Gross Fund Financed	**1,607.8**	**78.1**	**1,685.9**	**1,651.2**	**78.1**	**1,729.3**	**-8.5**	**-0.5**
Net administrative budget	1,559.2	...	1,559.2	1,601.3	...	1,601.3	7.5	0.5
o/w Annual Meetings	7.5	...	7.5	7.7	...	7.7	...	...
General Receipts[1]	48.6	...	48.6	49.9	...	49.9	-0.4	-0.8
Carryforward limit	...	66.4	66.4	...	66.4	66.4	-16.1	-19.5
Other Temporary[2]	...	11.7	11.7	...	11.7	11.7	0.5	4.0
Externally Financed	**288.0**	**8.6**	**296.6**	**295.7**	**8.6**	**304.4**	**0.4**	**0.1**
Receipts (largely CD-related)	288.0	...	288.0	295.7	...	295.7	0.0	0.0
Carryforward (limit)	...	8.6	8.6	...	8.6	8.6	0.4	4.4
Gross admin envelope	**1,895.8**	**86.7**	**1,982.5**	**1,946.9**	**86.7**	**2,033.7**	**-8.2**	**-0.4**
Capital[3]	**126.0**	**...**	**126.0**	**129.4**	...	**129.4**	**-6.5**	**-4.9**
Memorandum item:								
General NAB + Temp Envelope[4]	1,452.4	55.0	1,507.4	1,491.6	55.0	1,546.6	-3.3	-0.2
Fund deflator	2.7	...	...	...	...	...	...	...

Source: OBP. [1] Includes Trust Fund Fees, SRP admin, RST/PRGT fees, revenues from publication, parking, and Concordia. [2] OED/IEO transfers above carryforward limits. [3] Reflects 3-year funding availability. [4] Includes a structural reduction by $3.51 million in the OED budget.

- **General Carryforward** (Table 4). The FY27 budget finalizes the reversion to a 3 percent carryforward limit (versus 4 percent in FY26 and a high of 8 percent in FY22), as anticipated.
- **FY27 budget space** (Table 5). Departmental reprioritization, highlighted in Box 3, forms the bulk of budget space available to fund shifts in activities both within and between departments. Temporary space will decline due to the drop in carryforward.

Table 4. Carryforward, FY27
(Millions of FY26 U.S. dollars)

	Carryforward
General (Excl OED/IEO)	43.3
Allocated FY27	17.7
Reserve FY28/29	25.6
Memorandum items:	
Overall FY27[1] (ceiling)	66.4
General FY26 (ceiling)	55.8

Source: OBP, IEO, and OED. [1] Incl estimated IEO/OED limits, subject to separate decisions.

Table 5. FY27 Administrative Budget Space
(Millions of FY26 U.S. dollars)

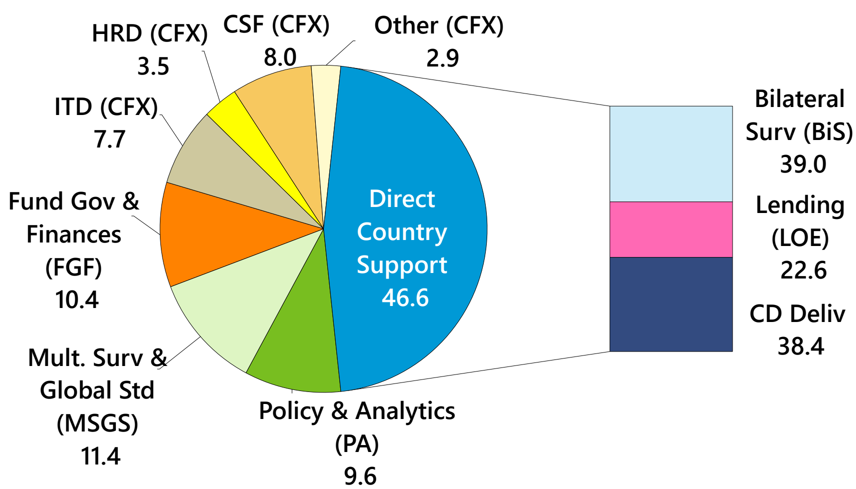
	Overall	(Percent of NAB)
Gross Savings (struc space + temp winddown)	**83.9**	**5.4**
Structural budget space	**68.1**	**4.4**
Dept. savings/reprioritization	66.0	4.3
Other structural resources[1]	2.1	0.1
Net change in temporary space	**-7.6**	...
Structural + temporary space	**76.2**	**4.9**
Memorandum items:		
Total temporary allocations	29.4	1.9
Allocated general carryforward	17.7	1.1
Unallocated general carryforward	25.6	1.6
OED/IEO transfers[2]	11.7	0.8

Source: OBP. [1] Includes savings from TRM devolution.
[2] Projected transfer from OED/IEO excess underspend.

A. FY26 Spending and FY27 Budget by Output

9. Overview (Figure 4a). Spending projections by output area for FY26 are based on time reporting in the first three quarters of the year. Presentation of outputs does not include central resources (Text Box). Direct country work continues to account for about half of Fund spending through bilateral surveillance, financial support, and direct capacity development delivery. Multilateral surveillance; policy and analytics; and Fund governance and finances account for an additional 1/3 of activity with the remaining 20 percent comprising activities related to corporate services and oversight offices. The Executive Board (part of Fund governance) accounts for approximately 6 percent of overall Fund-financed spending. Figure 4b provides a breakdown of one-year and longer-term changes in projected spending (through FY26) and proposed budgets (for FY27).

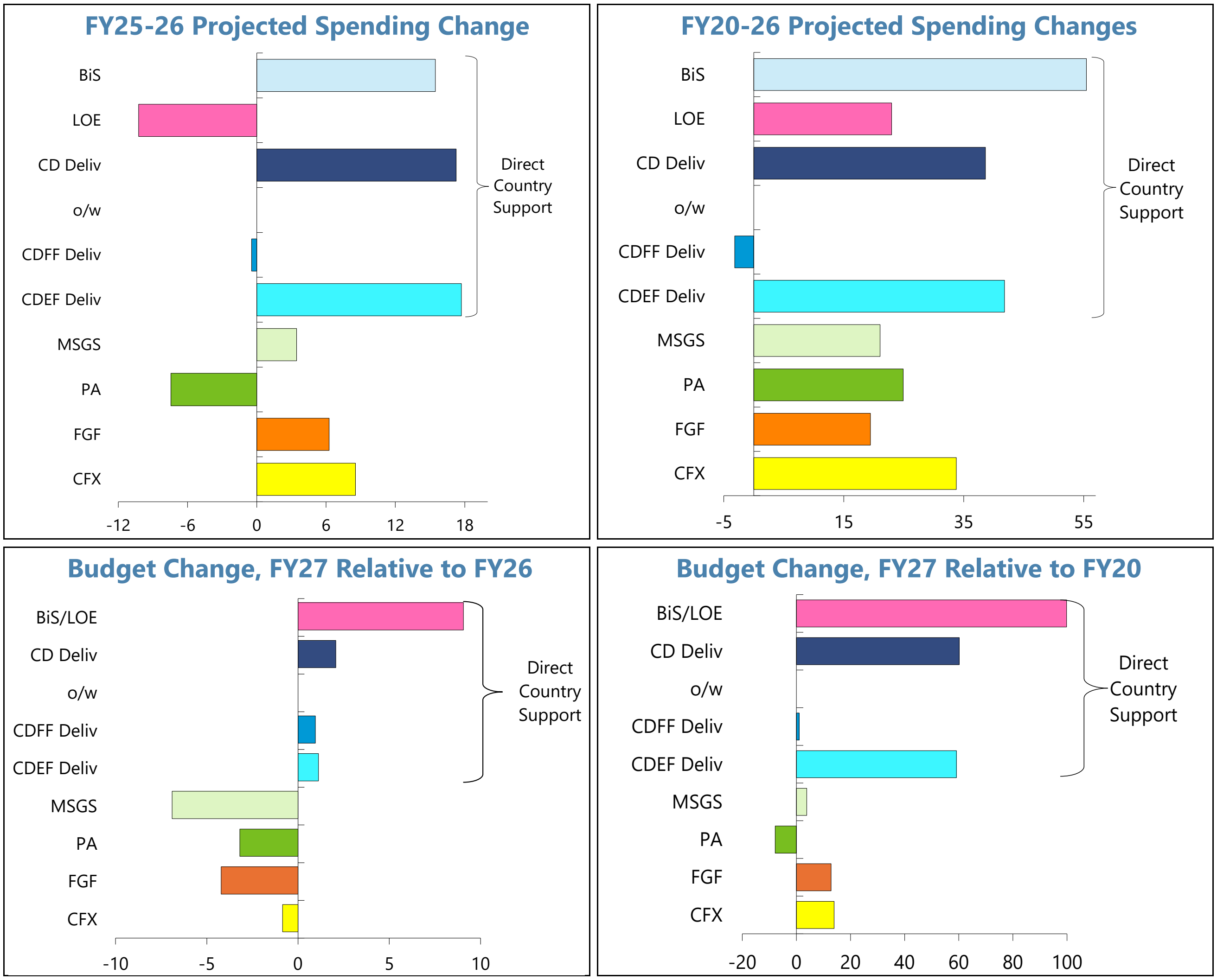
Figure 4a. FY26 Projected Spending by Output[1]
(In shares)



Source: OBP, ICD. [1] Excludes IMF center, comprising mainly buffers and special HR programs. CFX: support depts/small offices.

Figure 4b. Spending and Budget by Output[1]

(Millions of FY26 U.S. dollars, unless otherwise note)



Source: OBP, ICD. [1]Excl IMF center comprising mainly buffers and special HR programs. CFX: support depts/small offices.

10. FY26 Projected Spending (Figure 4b). Most output areas are expected to see some growth in FY26 relative to FY25, led by direct country support, in particular bilateral surveillance and CD direct delivery (Annex III). For FY26, growth in bilateral surveillance spending is partially mirrored in declines in lending activities, which nonetheless are expected to remain near historic highs (Box 5). Projections also point to higher growth in direct spending on FCS (Box 6). Higher spending across most output areas since the pre-crisis period (FY20) has been supported by the FY25-27 augmentation and high utilization, as well as increased external funding for CD. A slight

> **IMF Center Resources**
>
> Central resources are not included in the review of Fund outputs. They include buffers and resources for specific HR operations (e.g., overseas allowances; special programs) and constitute around 4 percent of NAB resources (with a further 2 percent in available unallocated Fund-financed carryforward). Externally funded buffers, also reserved in the center in a separate account, include the 3 percent carryforward and a central pool of unallocated (7 percent of total in FY26).

reduction in Fund-financed CD mainly reflects use of resources within FAD and STA. The strong growth in bilateral surveillance since the crisis reflects more continuous policy dialogue, increased granularity and expanded coverage of longer-term challenges to growth and resilience.

11. Proposed FY27 Budget. A continued shift towards direct country support, mainly for bilateral surveillance and lending, is proposed in FY27 (Figure 4b), with a modest increase also in budgets for both Fund-financed and externally financed CD delivery. This shift is also evident over the longer period since FY20.

Resourcing for Bilateral Surveillance/Lending

Non-CD country engagement (bilateral surveillance and lending) is led by Area Department teams, supported by functional department experts (with direct team participation and ad-hoc advice and review). Within the Fund's flexible organizational structure, the scale of resourcing may change between surveillance and lending operations for a member based on the intensity of needs during the year. As such, spending data is reported separating the two outputs in Table 4b, while budgets are presented on a consolidated basis, recognizing the common resource basis.

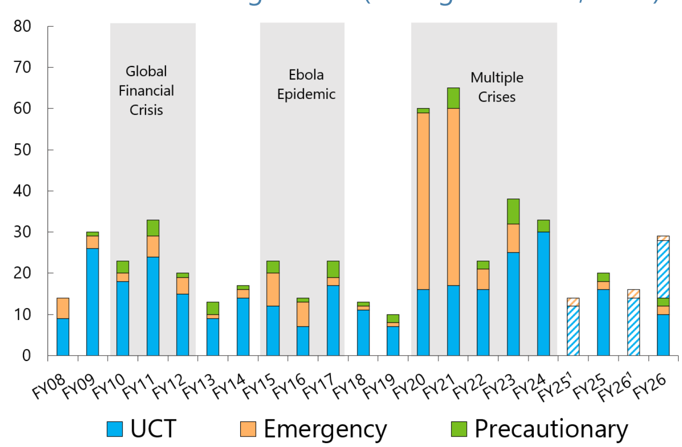
Box 5. Sustained Financial Support

Lending remains at high level in terms of both number and volume of arrangements. The war in the Middle East has increased uncertainty and risks for increased financing needs for countries affected directly or through spillovers.

- **New arrangements.** Fifteen arrangements were approved in FY26 through March 6, with 5 including an RSF component.
- **Current arrangements.** Programs are characterized by increased complexity, in many cases involving debt issues and, RSF operations, contributing to the need for additional time and specialized support.
- **Financing commitment** totaled $134 billion, of which $89 billion is associated with disbursing UCT-arrangements.
- **Active requests** could result in 14 additional UCT programs (4 with RSF component) and one emergency assistance operation in the remainder of FY26. These requests imply an additional $15 billion in funding.
- **Enquiries.** There are also currently 7 enquiries with a high likelihood of translating into requests in FY27. They are all potential UCT operations (none with RSF component). Based on the pattern in recent years, actual FY27 activities may be significantly higher, as additional requests come in. The baseline scenario in the Review of the Fund's Income Position for FY26 and FY27–28 (forthcoming) also suggests program activity will remain elevated in FY27.

Fund Financial Support FY08–26

Number of Arrangements (through March 6, 2026)



	FY23	FY24	FY25	FY26 (Est)
RSF Related Operations	5	14	5	9

Source: SPR, OBP. [1] For FY25/FY26, first bar: projection at budget approval. Second bar: final (solid)/proj (hashed). Increasing RSF operations (not counted separately) are a component of UCT programs

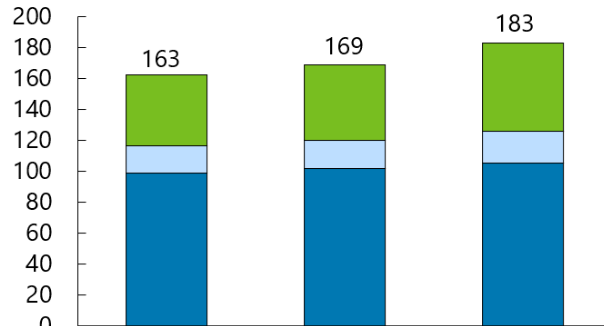
Box 6. Spending in Fragile and Conflict-Affected States (FCS)

Fund-financed spending related to 38 FCS countries in FY26 is expected to increase about 5 percent relative to FY25, mainly reflecting higher spending in Syria and Niger. While such spending is subject to some volatility and the direction of change in FY27 is difficult to forecast, progress in completing country engagement strategies and building field-based presence may reduce growth pressure.

- CD spending represented about 40 percent of total, concentrated in delivery departments. CD spending was largely directed to FCS countries in AFR (near 60 percent of total) with most of the remainder allocated to MCD and EUR.
- Consistent with the FCS Strategy, incremental work in FY26 has focused on developing three additional Country Engagement Strategies, integrating macro-critical aspects of fragility and conflict in bilateral surveillance where relevant, and stepping up field-based CD. The Executive Board will receive an update of the implementation of the FCS Strategy by Summer 2026.

Direct Country Spending - Fragile States

(Millions of FY26 U.S. dollars)



	FY24	FY25	FY26 Proj
IMF02	46	48	57
IMF01 CD	18	18	20
IMF01 Non-CD	99	102	105

Source: Dept estimates.

Beyond direct country support:

12. Multilateral Surveillance and Global Cooperation spending is projected to increase in FY26, driven by work on trade, global imbalances and financial market developments (with increases mainly in APD, EUR, FAD and MCM). In FY27, budgets will decline but remain above pre-pandemic levels, reflecting a rebalancing of activity in area departments out of regional outlook work to direct country support and the completion of major updates to statistical manuals. More broadly, work in FY27 will focus on economic interconnections and spillovers, including related to monetary policy and financial stability; global imbalances and trade; the EBA methodology update; risks of tokenization; Surveillance on Systemic Financial Sector Risks; implementation of the updated Balance of Payment Manual (BPM7) and the 2025 System of National Accounts; and advancing data ecosystem on fintech and NBFIs and related data collection to enhance multilateral surveillance.

- **Policy** spending is projected to decline in FY26 after increases in earlier years, driven by FIN, ICD and SPR. In FY27, budgets will also decline, driven by shifts in outputs in SPR and across CD-functional departments. Work will focus on completion of the Comprehensive Surveillance Review, FSAP Review, and the Review of Conditionality, as well as finalization of the LIC DSA review. At the same time, work will advance on the Review of Exceptional Access Policy; the

CCRT Review, the PRGT Eligibility Review; continued implementation of the 2024 CD Strategy Review, including development of the CD Stabilization Mechanism.

- **Analytic** spending is projected to decline in FY26, driven by SPR. In FY27, budgets will also decline slightly, driven by shifts in FAD and WHD. Priorities for analytic work include Macro Implications of Structural Transformations in Finance and the role of the Fund; Trade and Industrial Policy including its Spillovers; Trade and Financial Integration; AI and productivity especially in EMDEs; CBDC and Crypto Flows; Stablecoins and capital flows; Financial Stability Implications of Capital Account Imbalances; Implications of Tokenization for the International Monetary System; and IMF-WB joint work on digital fraud.

- **Fund Finance** spending is projected to decline marginally in FY26. FY27 budgets will also decline slightly. Key FY27 activities will include AML/CFT Trust Fund renewal along with fundraising activities to secure assurances for PRGT.

- **Fund Governance** spending is projected to increase in FY26, driven by OED, IEO, and FIN. For FY27, IEO structural budget will be flat, while OED's structural budget is proposed to decline. Work in this area will focus on facilitating the implementation of the 16th general quota review and advancing work on the 17th General Quota Review.

OED/IEO Budgets

OED constitutes 69 percent of spending on Fund governance. FY26 budgeted resources for the Executive Board and the IEO are $108 million, of which the OED budget is $100 million. Combined, they represent 7 percent of the NAB.

For FY27, the preliminary budget assumes IEO structural resources will remain flat and OED will decline in real terms in line with the proposal currently under consideration.

- **Corporate functions.** Over the past 20 years, corporate functions have declined as a share of overall Fund spending from 27 to 22 percent (28 to 25 percent of Fund-financed spending), notwithstanding expanded staffing, field presence, and externally funded CD, reflecting ongoing work to capture efficiencies.

  - Increases in corporate function budgets and spending since FY20, including in FY26, reflect some rebalancing, with work to address legacy underinvestment in technology (including cybersecurity investment) and business processes, while beefing up risk/control functions and ensuring that HR and operational policies and practices remain fit-for-purpose.

  - In FY27, corporate function budgets will decline slightly, driven by net reductions in CSF and HRD. Allocations within this category support continued work to increase ERM maturity; implementation of the cybersecurity strategy and data privacy plan; ongoing HR modernization, developing an updated people strategy, and strengthening strategic workforce planning; oversight of HQ2 asset lifecycle replacement and improvements in the field; development of the Fund's Enterprise Resource Planning strategy; and continued delivery of the Fund's technology capabilities and other corporate services.

B. FY26 Spending and FY27 Budget by Input Area

Table 6. Administrative Budget by Expenses, FY26-27

(Millions of FY26 U.S. dollars, unless otherwise noted)

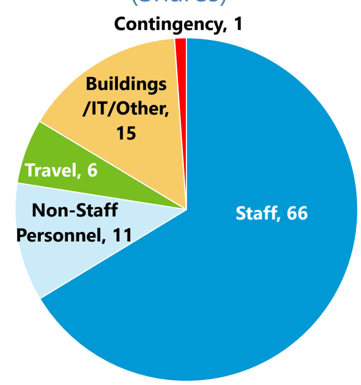
	FY26		FY27		Change					
	Fund-financed	Externally financed	Fund-financed	Externally financed	Fund financed		Externally financed		Total	
					$	Percent	$	Percent	$	Percent
Total Gross Admin. Envelope	**1,694**	**296**	**1,686**	**297**	**-8.5**	**-0.5**	**0.4**	**0.1**	**-8.2**	**0.0**
Personnel[1]	1,274	198	1,273	194	-1.1	-0.1	-4.5	-2.3	-5.6	0.0
Staff	1,090	61	1,088	59	-2.5	-0.2	-1.4	-2.3	-3.9	0.0
Non-Staff	184	137	186	134	1.4	0.8	-3.1	-2.3	-1.7	0.0
Travel[2]	93	68	101	73	7.7	8.3	5.0	7.4	12.7	0.1
Buildings/IT/Other	252	22	249	21	-2.6	-1.0	-0.5	-2.3	-3.1	0.0
Contingency	18	0	14	0	-4.5	-24.9	0.0	0.0	-4.5	-0.2
Other[3]	57	8	49	9	-8.0	-14.1	0.4	4.4	-7.6	-0.1
Memorandum item:										
Receipts	49	288	49	288	-0.4	-0.8	0.0	0.0	-0.4	0.0

Source: OBP. [1] Incl personnel-related buffers. [2] FY27 budget includes Overseas Annual Meetings. [3] Incl OED/IEO carryforward limit, and unallocated general carryforward.

13. Overview (Table 6, Figure 5). As noted, FY27 resources are projected to decline slightly despite the allocation of travel-related resources for the FY27 overseas annual meetings, driven by a lower Fund-financed carryforward.

Figure 5. Fund-Financed Budget by Input, FY27

(Shares)



Source: OBP. Excl unallocated carryforward.

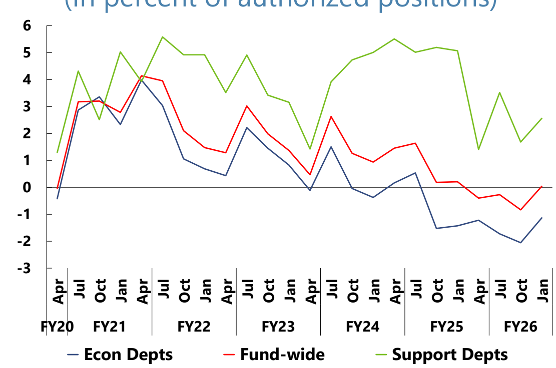
14. Personnel (Box 7)

- **FY26 Developments** (Figure 6). Staff utilization is expected to remain broadly flat relative to FY25, reflecting lower vacancies across support departments offset by the residual effects of pre-hiring in some economics departments. Non-staff personnel utilization remains above the structural budget despite lower spending in real terms, reflecting a reduced budget in FY26. By year end, negative vacancy rates in economics departments are expected to ease.

- **FY27 Proposed Budget.** Personnel budgets will decline in real terms, reflecting fewer staff relative to non-staff personnel. The structural budget will remain broadly stable, with a modest reallocation from non-staff to staff personnel, and the winddown of temporary staff is partially offset by contractual resources.

Figure 6. Vacancy Rates, FY20-26 to Jan

(In percent of authorized positions)[1]



Source: HRD and OBP. [1]Excludes OED & IEO.

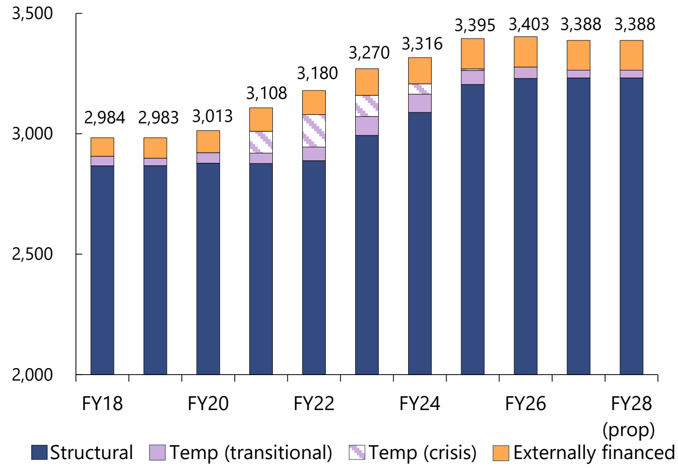
Box 7. Personnel Developments

Staff. Staffing rose from FY20-26 by about 390 positions (13 percent), including a 38 percent increase in externally funded positions to 126 FTEs, in support of CD work. Fund-financed increases were funded first by temporary crisis resourcing and later through structural budget augmentation. In FY27, budgeted staff are programmed to decline slightly, with an assumption of broadly flat levels in coming years.

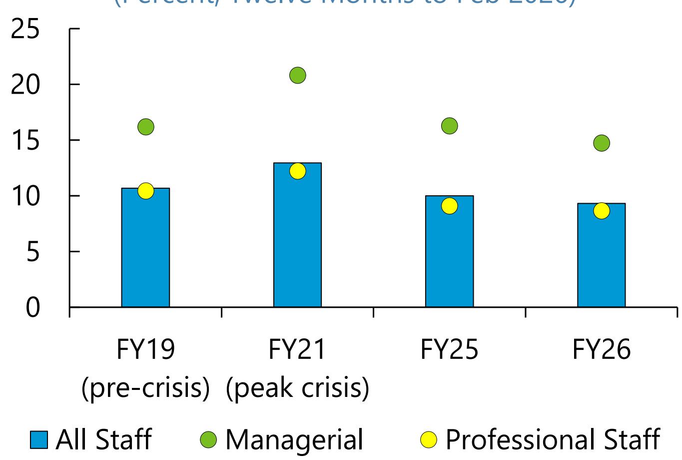
Work pressures. Reported overtime has declined from its 2021 peak, albeit with pockets of still high overtime particularly among senior staff.

Staff composition. Economists make up about 58 percent of staff positions, with an increase in specialists relative to fungible macroeconomists within CD departments in recent years as demand for more granular, issue-specific advice has increased. More broadly, the mix of personnel has and will continue to evolve to address changing operational needs, balancing HQ and field-based roles and maintaining flexibility with a mix of open-ended and temporary roles. Ramped up strategic workforce planning at the corporate and departmental levels will focus on anticipating changes in skills needs, including specialized capabilities, enhancing agility to respond to emerging priorities, and supporting employment decisions.

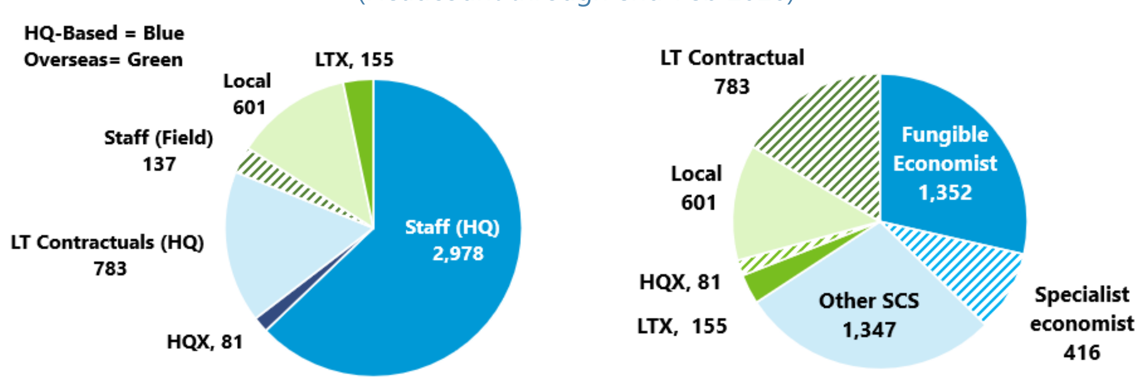
Fund Staff by Funding Source
(Number of positions)



Average Overtime
(Percent, Twelve Months to Feb 2026)



Personnel Scale and Structure
(Headcount through end-Feb 2026)



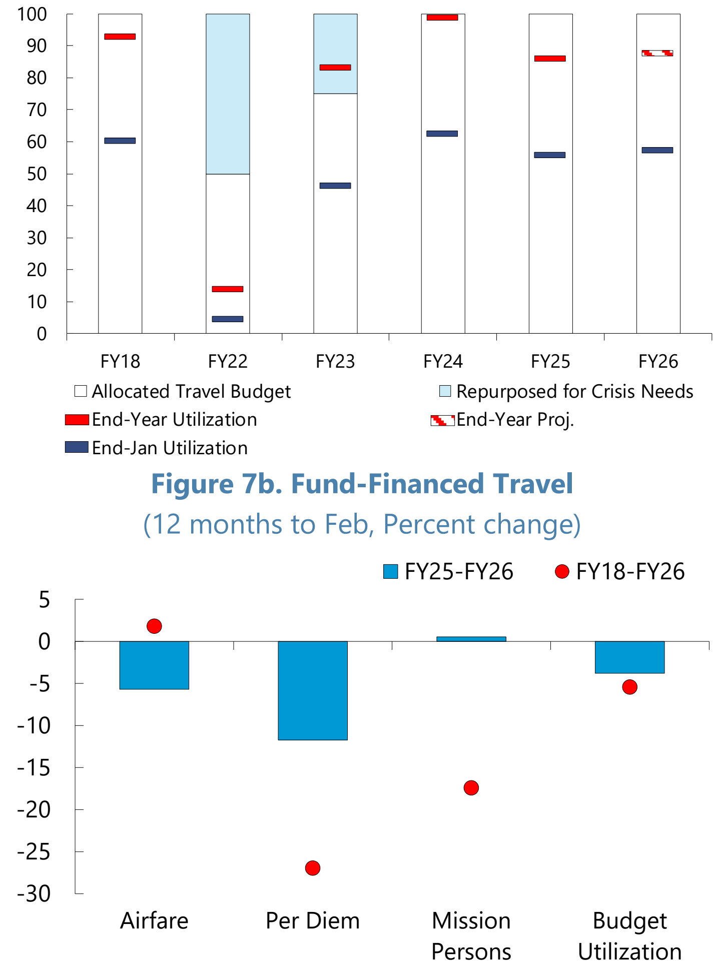
Source: OBP.

15. **Travel**). Overall travel budget utilization for FY26 was projected at 85.1 percent (83.8 percent for Fund-financed travel) based on developments through end February; travel interruptions due to the war in the Middle East will likely drive utilization down further for FY26. While utilization has rebounded since the pandemic period, it remains below pre-pandemic levels (96.1 percent in FY18). Airfare remains higher than pre-pandemic levels but has declined this year. Despite the rebound in utilization, the number of mission persons remains below pre-pandemic levels.

- **FY26 Developments** (Figure 7a-7b). Fund-financed business travel utilization was projected at 84.9 percent based on developments through end-February, slightly lower than FY25, with execution in first 10 months of FY26 also slightly lower than last year.
    - Related airfare costs declined during 2025 but remain 33 percent above pre-crisis levels (1 percent in real terms).
    - Per-diem costs have declined 1 percent relative to pre-crisis levels (25 percent lower in real terms) with a significant decline this year.
    - Mission volumes are in line with FY25 and remain well below pre-crisis levels, partially reflecting increased remote engagement.
    - Externally financed utilization is projected by departments at 86.8 percent this year (relative to 78 percent in FY25 and 101 percent pre-crisis).

Figure 7a. Fund-Financed Travel Utilization, FY18-26
(May-Feb, In percent of structural budget)

Figure 7b. Fund-Financed Travel
(12 months to Feb, Percent change)



Source: OBP. Business travel.

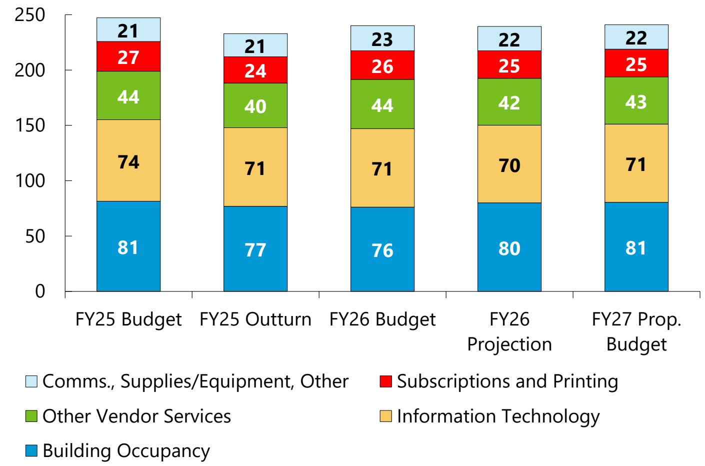
- **FY27 Proposed Budget.** The FY27 budget is programmed to slightly increase in real terms excluding overseas Annual Meetings driven by externally financed allocations, recognizing potential for disruptions to mission travel and costs from the war in the Middle East.

16. **Building, IT, and other services** (Figure 8)

- **FY26 Developments.** Fund-financed spending in these areas has risen slightly versus last year. Increased spending in building occupancy is driven by one-off external office lease payment and field leases, partially offset by streamlined facilities services and vendor contracts renegotiations. Higher execution is also seen in one-off vendor services, commercial data, publications, and deferred FY25 payments. Non-personnel physical and cyber security spending remains unchanged from last year.

- **FY27 Proposed Budget.** Budgets will decrease marginally in real terms, driven by Fund-financed allocations linked to departmental reprioritizations and recalibration of facilities and technology support services.

Figure 8. Fund-Financed Buildings, IT, Other, FY25-27
(Millions of FY26 U.S. dollars)



Source: OBP.

17. Receipts (Table 7)

- **FY26 Developments.** Increased external receipts reflect higher anticipated CD execution. Specifically, two new regional centers, MCD's Riyadh Office and APD's Shanghai Center, have contributed significantly compared to FY25. General receipts are projected to increase slightly compared to last year, with some change in composition. Higher trust fund management fees associated with higher donor funding execution and PRGT investment fees are expected to be offset by lower receipts from SRP administration, the Concordia, HQ2 leases, and rebates.

Table 7. Receipts, FY25-27
(Millions of FY26 U.S. dollars)

	FY25	FY26			Change (units)	FY27
	Outturn	Struct Budget	Proj Outturn	Proj Util Percent	FY25-26	Proposed Budget
Total	**273.9**	**337.0**	**292.6**	**86.8**	**18.6**	**336.6**
Externally financed CD (direct cost)	231.5	288.0	249.2	86.5	17.6	288.0
General receipts	42.4	49.0	43.4	88.6	1.0	48.6
Of which:						
Trust Fund Fees	16.2	17.6	17.4	99.4	1.2	17.4
SRP Administration	6.7	10.7	5.9	55.0	-0.8	10.7
PRGT Investment Fee	0.0	2.4	2.4	100.0	2.4	2.2
RST Trust Administration	5.5	5.5	5.5	100.0	0.0	5.3
Concordia	3.6	3.3	2.8	83.1	-0.8	3.3
Sharing agreements[1]	2.9	3.1	2.9	92.9	0.0	3.1
Parking	2.2	2.2	2.1	96.0	-0.1	2.2
HQ2 lease[2]	1.4	1.5	1.1	75.1	-0.3	1.2
Other[3]	4.0	2.8	3.3	120.1	-0.6	3.1

Source: OBP. [1] Reimbursements principally from the World Bank. [2] Credit Union, retail tenants. [3] Corporate, Travel, P-cards, rebates, publication income.

- **FY27 Proposed Budget.** Overall receipts are projected to decline slightly in real terms, primarily due to a slight reduction in general receipts related to HQ2 lease decline and adjustments to staff positions that are linked to RST and PRGT to align with chargebacks. External receipts are expected to remain unchanged.

C. FY26 Spending and FY27 Budget by Department

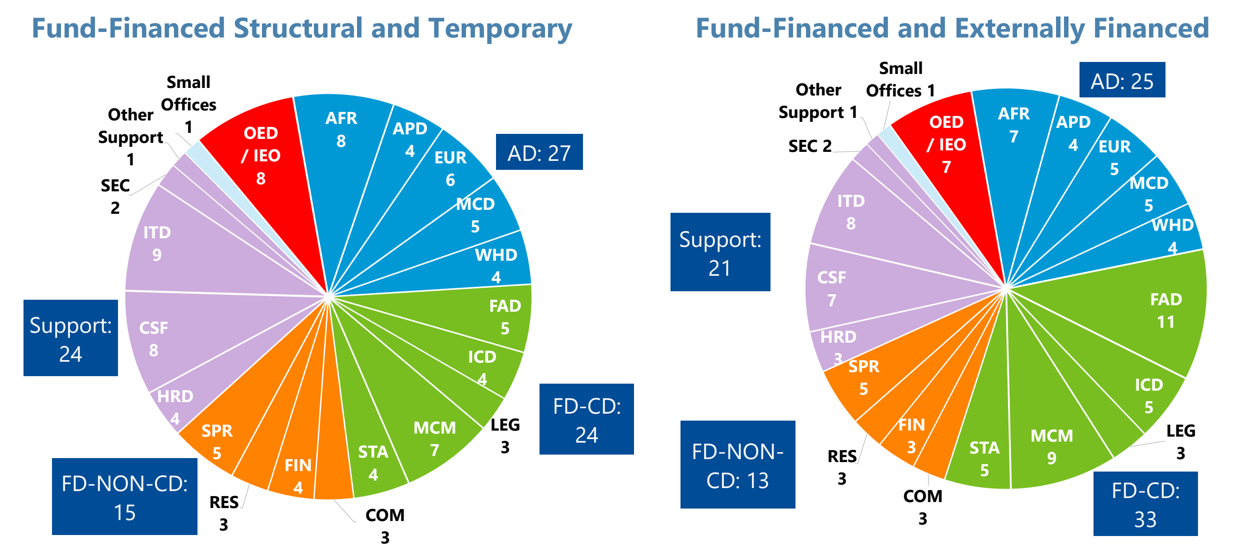
18. FY26 Projected Spending (Annex VI, Tables 6-7). Departments are expected to remain within their working budgets in FY26, both in FTEs and dollars.

19. FY27 Budget Proposal (Figures 9-10, Tables 8-10). This section presents a breakdown of the proposed distribution of Fund-financed real resources in FY27 and changes from FY26 levels.

- These changes reflect the small reduction in core departmental resources due to the unwinding of exceptional temporary resources. Interdepartmental changes reflect only a fraction of reallocation of activities, given significant intradepartmental reprioritization (Box 3).
- Rebalancing across departments reflects several factors, including increased resourcing for direct country work and consideration of base resources, changing needs, and pressure points.
- Externally financed budgets are projected to be stable in FY27, with about 80 percent of these resources concentrated in CD departments.
- After a period of ramp-up and concentrated investment, spending/budgets in macro-structural areas supported by the FY23-25 augmentation are moving toward more steady state levels, as anticipated in the framework (Annex IV).

Figure 9. Proposed Administrative Budget by Department, FY27

(Percent of total)



Source: OBP. Excl Central Resources. Incl. proposed structural and temporary budgets.

Table 8. Fund-Financed Budget Adjustments by Department, FY26-27

(Millions of FY26 U.S. dollars, unless otherwise noted)

	FY26 Budget			FY27 Proposed Budget			Percent Change	
Departments	**Struct**	**Temp**	**Total**	**Struct**	**Temp**	**Total**	**FY26-27**	**FY20-27**
Area	**400.1**	**10.9**	**411.0**	**403.5**	**9.4**	**412.9**	**0.5**	**12.3**
AFR	120.6	2.1	122.7	121.8	1.6	123.4	0.6	13.2
APD	63.2	2.1	65.2	64.0	1.9	65.9	1.0	18.3
EUR	83.1	2.8	85.9	82.8	2.8	85.6	-0.4	1.1
MCD	70.3	0.9	71.1	71.1	0.0	71.1	0.0	16.2
WHD	62.9	3.0	65.9	63.9	3.0	66.9	1.4	17.1
Functional Non-CD	**230.5**	**5.7**	**236.2**	**230.7**	**4.5**	**235.3**	**-0.4**	**20.5**
COM	47.6	1.2	48.8	47.6	0.6	48.2	-1.1	5.5
FIN	55.5	1.8	57.3	55.8	1.2	56.9	-0.5	34.0
RES	46.2	0.6	46.7	46.1	0.6	46.6	-0.2	15.8
SPR	81.3	2.2	83.4	81.3	2.2	83.4	0.0	25.1
Functional CD	**365.6**	**5.1**	**370.7**	**363.9**	**5.2**	**369.1**	**-0.4**	**11.8**
FAD	80.6	3.0	83.6	80.8	2.8	83.6	0.0	13.8
ICD	60.7	0.0	60.7	60.4	0.0	60.4	-0.4	3.2
LEG	41.7	1.3	43.0	41.6	1.7	43.3	0.6	27.2
MCM	113.7	0.1	113.8	113.0	0.0	113.0	-0.7	11.0
STA	68.9	0.7	69.6	68.1	0.7	68.8	-1.1	10.5
Support	**364.7**	**9.8**	**374.5**	**366.2**	**8.0**	**374.2**	**-0.1**	**4.4**
CSF	129.1	0.8	129.8	127.7	0.7	128.4	-1.1	-1.2
HRD	54.0	6.3	60.3	54.0	5.7	59.7	-1.0	8.3
ITD	133.2	1.3	134.5	136.2	0.0	136.2	1.3	5.4
OBP	6.9	0.6	7.6	6.9	0.8	7.7	1.9	28.0
OIA	6.8	0.0	6.8	6.8	0.0	6.8	0.0	10.6
ORM	5.5	0.8	6.3	5.3	0.7	6.0	-3.6	60.5
SEC	29.3	0.0	29.3	29.3	0.0	29.3	0.0	4.4
Small Offices	**21.2**	**0.9**	**22.1**	**21.3**	**0.8**	**22.1**	**0.1**	**21.4**
Center/Other[1]	**61.5**	**4.7**	**66.2**	**64.8**	**1.5**	**66.3**	**...**	**...**
General Total	**1,443.6**	**37.1**	**1,480.7**	**1,450.4**	**29.4**	**1,479.9**	**-0.1**	**7.4**
OED/IEO	108.1	26.6	134.7	104.6	23.1	127.7	-5.3	4.6
Annual Meetings	**...**	**...**	**...**	**7.5**	**...**	**7.5**	**...**	**...**
Total	**1,551.7**	**63.7**	**1,615.4**	**1,562.6**	**52.5**	**1,615.1**	**0.0**	**7.7**
Gross budget/reserve shift[2]	**...**	**30.0**	**...**	**-3.4**	**25.6**	**22.2**	**...**	**...**
Grand Total	**1,551.7**	**93.7**	**1,645.4**	**1,559.2**	**78.1**	**1,637.3**	**-0.5**	**9.2**

Source: OBP. Dollar budgets incl structural and temporary resources. TRM-related resources moved to HRD, ICD, ITD, and STA (with rebasing of prior year TRM resources to these departments). ITD incl. remaining resources from the FY26 top-up, initially held in the center. [1] Center mainly buffers and special HR programs, for FY27 includes a structural reduction by $3.51 million in the OED budget. Other includes accounting reconciliation for reorganizations.
[2] Incl. unallocated carryforward and additional reserves from salary dynamics.

Table 9. FTE Changes by Department, FY26-27

	FY26 Budget			FY27 Proposed Budget			Percent Change	
Departments	**Struct**	**Temp**	**Total**	**Struct**	**Temp**	**Total**	**FY26-27**	**FY20-27**
Area	**854.1**	**20.5**	**874.6**	**866.0**	**13.0**	**879.0**	**0.5**	**10.1**
AFR	247.4	5.5	252.9	251.0	4.0	255.0	0.8	12.9
APD	131.7	4.0	135.7	134.0	2.0	136.0	0.2	15.8
EUR	182.9	5.0	187.9	184.0	3.0	187.0	-0.5	-0.6
MCD	147.5	1.0	148.5	148.5	0.0	148.5	0.0	11.2
WHD	144.5	5.0	149.5	148.5	4.0	152.5	2.0	14.2
Functional Non-CD	**588.1**	**9.0**	**597.1**	**588.0**	**7.0**	**595.0**	**-0.3**	**18.8**
COM	96.0	0.0	96.0	95.0	0.0	95.0	-1.0	5.6
FIN	152.5	5.0	157.5	153.5	3.0	156.5	-0.6	23.7
RES	123.5	1.0	124.5	123.5	1.0	124.5	0.0	14.7
SPR	216.1	3.0	219.1	216.0	3.0	219.0	0.0	24.4
Functional CD	**819.2**	**8.0**	**827.2**	**816.0**	**5.0**	**821.0**	**-0.7**	**11.1**
FAD	184.5	4.0	188.5	184.5	2.0	186.5	-1.1	15.2
ICD	140.2	0.0	140.2	139.0	0.0	139.0	-0.8	3.7
LEG	100.7	4.0	104.7	101.0	3.0	104.0	-0.7	25.0
MCM	257.0	0.0	257.0	256.0	0.0	256.0	-0.4	16.0
STA	136.8	0.0	136.8	135.5	0.0	135.5	-1.0	-2.4
Support	**609.3**	**7.0**	**616.3**	**601.7**	**7.0**	**608.7**	**-1.2**	**9.7**
CSF	170.0	0.0	170.0	166.5	1.0	167.5	-1.5	3.3
HRD	132.3	5.0	137.3	132.3	4.0	136.3	-0.7	12.4
ITD	178.0	0.0	178.0	175.0	0.0	175.0	-1.7	7.3
OBP	19.0	1.0	20.0	19.0	1.0	20.0	0.0	27.4
OIA	18.0	0.0	18.0	18.0	0.0	18.0	0.0	12.5
ORM	17.0	1.0	18.0	16.0	1.0	17.0	-5.6	70.0
SEC	75.0	0.0	75.0	75.0	0.0	75.0	0.0	12.8
Small Offices	**64.0**	**0.0**	**64.0**	**64.0**	**0.0**	**64.0**	**0.0**	**43.8**
Center/Other[1]	**0.0**	**3.0**	**3.0**	**0.0**	**0.0**	**0.0**	**...**	**...**
General Total	**2,934.5**	**47.5**	**2,982.0**	**2,935.7**	**32.0**	**2,967.7**	**-0.5**	**11.2**
OED/IEO	295.0	...	295.0	296.0	0.0	296.0	0.3	16.8
Total	**3,229.5**	**47.5**	**3,277.0**	**3,231.7**	**32.0**	**3,263.7**	**-0.4**	**11.7**
Externally Financed	**126.0**	**...**	**126.0**	**124.0**	**...**	**124.0**	**-1.6**	**36.0**
Grand Total	**3,355.5**	**47.5**	**3,403.0**	**3,355.7**	**32.0**	**3,387.7**	**-0.4**	**12.4**

Source: OBP. FTE budgets incl structural and temporary resources. TRM-related resources moved to HRD, ICD, ITD, and STA (with rebasing of prior year TRM resources to these departments). [1] Center mainly contains buffers and special HR programs. Other includes accounting reconciliation for reorganizations.

Table 10. Overall Budget and FTEs by Department, FY27

	Proposed						Share of Proposed Budget			
	Fund-Financed		Externally Financed		Total		Fund-Financed		Total	
Departments	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**
Area	**412.9**	**879.0**	**31.1**	**4.0**	**444.0**	**883.0**	**25.6**	**26.9**	**23.3**	**26.1**
AFR	123.4	255.0	4.3	1.0	127.7	256.0	7.6	7.8	6.7	7.6
APD	65.9	136.0	14.3	2.0	80.2	138.0	4.1	4.2	4.2	4.1
EUR	85.6	187.0	0.1	0.0	85.7	187.0	5.3	5.7	4.5	5.5
MCD	71.1	148.5	10.9	0.0	82.0	148.5	4.4	4.5	4.3	4.4
WHD	66.9	152.5	1.5	1.0	68.4	153.5	4.1	4.7	3.6	4.5
Functional Non-CD	**235.3**	**595.0**	**3.9**	**3.0**	**239.2**	**598.0**	**14.6**	**18.2**	**12.6**	**17.7**
COM	48.2	95.0	0.0	0.0	48.2	95.0	3.0	2.9	2.5	2.8
FIN	56.9	156.5	0.5	1.0	57.5	157.5	3.5	4.8	3.0	4.6
RES	46.6	124.5	1.4	0.0	48.0	124.5	2.9	3.8	2.5	3.7
SPR	83.4	219.0	2.0	2.0	85.4	221.0	5.2	6.7	4.5	6.5
Functional CD	**369.1**	**821.0**	**228.5**	**116.0**	**597.6**	**937.0**	**22.9**	**25.2**	**31.4**	**27.7**
FAD	83.6	186.5	107.2	33.0	190.8	219.5	5.2	5.7	10.0	6.5
ICD	60.4	139.0	38.7	32.0	99.1	171.0	3.7	4.3	5.2	5.0
LEG	43.3	104.0	12.2	15.0	55.5	119.0	2.7	3.2	2.9	3.5
MCM	113.0	256.0	43.0	18.0	156.0	274.0	7.0	7.8	8.2	8.1
STA	68.8	135.5	27.5	18.0	96.3	153.5	4.3	4.2	5.1	4.5
Support	**374.2**	**608.7**	**0.3**	**1.0**	**374.5**	**609.7**	**23.2**	**18.7**	**19.7**	**18.0**
CSF	128.4	167.5	0.0	0.0	128.4	167.5	8.0	5.1	6.7	4.9
HRD	59.7	136.3	0.2	1.0	59.9	137.3	3.7	4.2	3.1	4.1
ITD	136.2	175.0	0.1	0.0	136.3	175.0	8.4	5.4	7.2	5.2
OBP	7.7	20.0	0.0	0.0	7.7	20.0	0.5	0.6	0.4	0.6
OIA	6.8	18.0	0.0	0.0	6.8	18.0	0.4	0.6	0.4	0.5
ORM	6.0	17.0	0.0	0.0	6.0	17.0	0.4	0.5	0.3	0.5
SEC	29.3	75.0	0.0	0.0	29.3	75.0	1.8	2.3	1.5	2.2
Small Offices	**22.1**	**64.0**	**0.0**	**0.0**	**22.1**	**64.0**	**1.4**	**2.0**	**1.2**	**1.9**
Center/Other[1]	**66.3**	**0.0**	**24.1**	**0.0**	**90.4**	**0.0**	**4.1**	**0.0**	**4.8**	**0.0**
General Total	**1,479.9**	**2,967.7**	**288.0**	**124.0**	**1,767.8**	**3,091.7**	**91.6**	**90.9**	**92.9**	**91.3**
OED/IEO	127.7	296.0	0.0	0.0	127.7	296.0	7.9	9.1	6.7	8.7
Annual Meetings	**7.5**	**...**	**...**	**...**	**7.5**	**...**	**0.5**	**...**	**0.4**	**...**
Total	**1,615.1**	**3,263.7**	**288.0**	**124.0**	**1,903.0**	**3,387.7**	**100.0**	**100.0**	**100.0**	**100.0**
Gross budget/reserve shift[2]	**22.2**	**...**	**8.6**	**...**	**30.9**	**...**	**...**	**...**	**...**	**...**
Grand Total	**1,637.3**	**3,263.7**	**296.6**	**124.0**	**1,933.9**	**3,387.7**	**...**	**...**	**...**	**...**

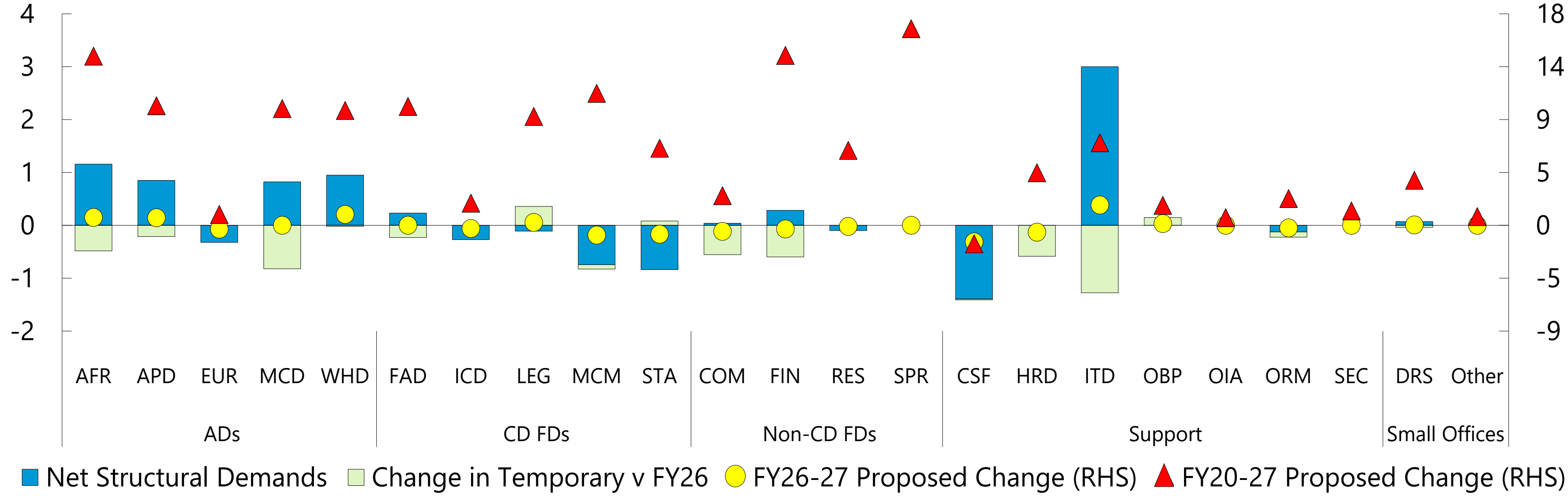
Source: OBP. Dollar/FTE budgets incl structural and temporary resources. TRM-related resources moved to HRD, ICD, ITD, and STA (with rebasing of prior year budgets). [1] Center mainly contains buffers and special HR programs, for FY27 includes a structural reduction by $3.51 million in the OED budget. Other includes accounting reconciliation for reorganizations. [2] Incl. unallocated carryforward and additional reserves from salary dynamics.

20. Proposed budget by department.

- **Area departments**. Most area departments have seen significant increases in their resourcing levels since the pre-pandemic period, reflecting high sustained demand from the membership, and the gradual shift in resource allocation towards direct country support. Structural resources will increase in FY27 as temporary resources are unwound to maintain overall resources at or above FY26 levels in all departments except in EUR. Structural staffing will also increase in all area departments, offsetting the unwinding of temporary resources and putting staffing on a more sustainable footing. Increases for **AFR** and **WHD** are linked to increased complexity in operations, including lending. **APD** will receive net resources mainly to prioritize delivering a successful 2026 Annual Meetings and deepening bilateral and regional surveillance, particularly on the impact of global trade shocks. **MCD** will continue to focus on post-conflict/fragility issues and deepen regional engagement, including on critical emerging issues. **EUR** will increase its focus on long-term macro-structural issues and EU accession countries, including through the opening of the new SEETAC regional center.
- **Non-CD functional departments.** Structural resources will remain unchanged in FY27. Overall resources will decline slightly due to temporary unwinding in FY27, moderating the overall increase since FY20. **SPR's** overall resourcing will remain unchanged, with work focusing on support for country teams and major ongoing institutional reviews. **FIN** and **RES** both see small overall declines, supported by further emphasis on risk-based monitoring and mainstreaming of work on long-term challenges. **COM** will see a decline in resourcing reflecting a net reduction in one structural position and temporary dollar budget, linked to continued consolidation of some activities and outputs.
- **CD functional departments.** Structural resources will decline in FY27. With temporary resources broadly flat, this will moderate the overall increase from FY20. **ICD**, **MCM** and **STA** will see a small reduction in structural positions and dollar budgets, addressing changing needs through reprioritization. **LEG** will see a slight increase in structural position more than offset by a winddown in temporary position, with their overall dollar budget increasing slightly. **FAD** will see a reduction in total staff positions reflecting temporary winddown of two positions with an overall flat dollar budget, moderating the growth of the overall increase from FY20.
- **Support departments.** Structural resources will increase in FY27, while overall resources will be roughly flat with unwinding of temporary resources. **ITD** will see an increase driven by the cybersecurity top-up that was approved last year, partially offset by unwinding of temporary resources linked to integrating of HR cloud support services into ITD and savings from rationalization of vendor support and scheduled decommissioning of systems. **HRD** will maintain its structural resources while seeing a modest decline in temporary resources linked to HR modernization. Similarly, **CSF** will see a modest decline, reflecting an alignment of resources with essential services and streamlining legacy processes. **SEC** will maintain its resources at prior year levels. **ORM** will see a reduction in overall resources with the unwinding of exceptional support linked to establishing the Enterprise Risk Management framework and build-out of related staffing. **OIA** resources will remain stable.

Figure 10. FY27 Change in Budget Allocations by Department versus FY26

(Millions of FY26 U.S. dollars)



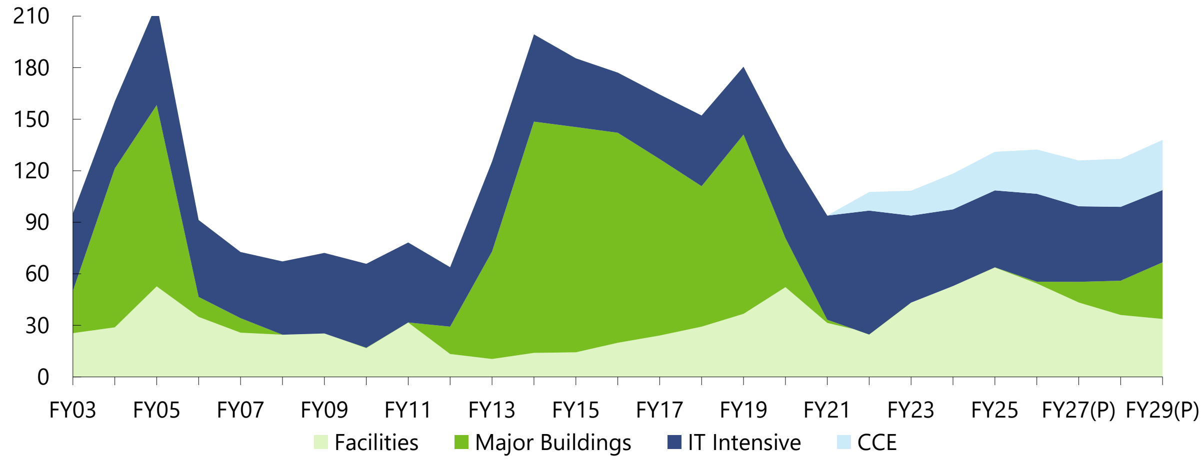
Source: OBP. Excl central resources and OED/IEO. Excl shifts of TRM staff/contractuals to ICD, ITD, HRD, STA. ITD incl shift from center re FY26 top-up.

SECTION III. CAPITAL BUDGET

21. Overview (Figure 11, Table 11). The proposed capital budget maintains a focus on prudent and effective resource use, balancing investments in the Fund's assets at headquarters and field locations and support for the institution's strategic technology initiatives.

Figure 11. Capital Spending, FY03-29[1]

(Millions of FY26 U.S. dollars)



Sources: ITD, CSF, and OBP. [1] FY26 Estimated. FY27-29 Proposed.

Table 11. Medium-Term Capital Budget, FY26-29

(Real figures in FY26 U.S. dollars)

	FY26	FY27	FY27	FY27	FY28	FY28	FY29	FY29
	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal
	Approved	Proj in FY26-28 MTB	Proposed		Indicative		Indicative	
Total	**132.5**	**138.7**	**126.0**	**129.4**	**127.0**	**133.6**	**138.0**	**148.3**
Building Facilities[1]	**61.6**	**66.1**	**55.3**	**56.8**	**56.0**	**58.9**	**66.7**	**71.7**
Lifecycle replacements and repairs	48.1	33.3	35.1	36.0	27.7	29.1	25.4	27.3
HQ1/HQ2/Concordia	34.5	23.4	21.9	22.5	15.2	16.0	13.3	14.2
Audio-visual	13.5	10.0	12.3	12.6	11.6	12.2	10.2	11.0
New Investments[2]	12.2	17.0	7.2	7.4	7.3	7.7	7.3	7.9
Vehicles	1.0	1.0	1.0	1.0	1.0	1.1	1.0	1.1
Major Buildings	0.3	14.6	12.0	12.3	20.0	21.0	33.0	35.5
IT-Intensive (Direct + Cloud)	**70.9**	**72.6**	**70.7**	**72.6**	**71.0**	**74.6**	**71.3**	**76.6**
Direct Capital Investments	45.2	45.2	44.0	45.2	43.0	45.2	42.1	45.2
Transform (current)	9.1	4.4	2.1	2.2	0.4	0.4	0.0	0.0
Cybersecurity	9.8	11.3	12.1	12.5	9.4	9.9	4.7	5.0
AI	3.8	4.3	4.6	4.7	2.8	3.0	2.8	3.0
Infrastructure end-of-life	8.7	8.7	8.5	8.7	8.3	8.7	8.1	8.7
Other Investment	13.8	16.5	16.8	17.2	22.1	23.2	26.5	28.5
Cloud Capital Equivalent	25.7	27.4	26.7	27.4	28.0	29.4	29.2	31.4

Source: ITD, CSF, and OBP. Major building expenditures, beyond preplanning, and their timeline will be set out in future budgets. Projected FY26 carryforward $21.2M for facilities and $11.0M for IT-Intensive Capital. [1]Does not include large capital improvements for Concordia. [2] Mainly field offices set-up costs, in FY26 also incl. minor HQ1 renovations, sustainability, and OED office space needs.

- **FY26 Projected Spending** is above the FY26 appropriation but within the available resource base including the remaining appropriated funds beginning in FY24 (Table 12). Approximately $34 million is currently projected to carry over to FY27.

- **The FY27 proposed capital envelope** is below the preliminary figures presented in the FY26-28 MTB and 5 percent below FY26, mainly due to reduction in non-essential facilities-related projects.

Table 12. Real Capital Expenditures, FY25-27[1]
(Millions of FY26 U.S. dollars)

	Spending		Budget		
	FY25	**FY26 Est**	**FY26 Avail**	**FY27 Prop**	**FY27 Avail (Est)**
Total Capital	**131.0**	**131.0**	**166.8**	**126.0**	**161.0**
Facilities	**63.8**	**55.5**	**78.8**	**55.3**	**78.7**
New Investments	36.7	8.4	17.1	7.2	15.9
Lifecycle replac. & repairs	26.9	46.1	57.6	36.1	47.6
Major Buildings	0.2	1.0	4.1	12.0	15.1
IT-Intensive (Direct + Cloud)	**67.2**	**75.5**	**87.9**	**70.7**	**82.4**
Direct Capital Investments	44.8	50.5	62.2	44.0	55.7
Transformation	16.2	10.8	16.1	2.1	7.4
New Investments	19.3	29.8	36.6	33.4	40.2
Infrastructure end-of-life	9.3	9.9	9.6	8.5	8.2
Cloud Capital Equivalent	22.4	25.0	25.7	26.7	26.7

Source: ITD, CSF, and OBP. [1] Approved funds available for 3 yrs.

22. Facilities. With two aging buildings, the asset lifecycle replacement strategy will need to manage higher ongoing needs in coming years. The facilities budget proposal prioritizes investments in essential infrastructure replacements in HQ and the field, AV lifecycle updates, and HQ2 asset lifecycle replacement, which will continue over ten years to optimize useful life and avoid budget spikes. FY26 spending is projected to decrease versus FY25, with resources available to carry over into FY27 estimated at $23.3 million. The proposed FY27 budget represents a 10 percent decline relative to FY26.

- **Lifecycle projects.** FY26 lifecycle spending covers HQ1 substation and elevator modernization projects and AV replacements primarily in the large HQ1 meeting spaces that are critical to the Annual and Spring Meetings. Most of these medium-term projects will continue into FY27. Other FY26 projects include garage drainage and lighting; mechanical, electrical, plumbing maintenance; near-term Concordia needs; and smart building initiatives. The figures do not include potential medium-term Concordia costs with related planning to be discussed in coming months.

- **New Investments.** FY26 new investment spending includes field office and residence openings and relocations, ensuring safety and continuity of operations, minor renovations in the HQ1 Visitor Center and Library, HQ space optimization to eliminate leased space, and initiatives to reconfigure OED office space to better align with business needs. The FY27 proposed budget primarily supports opening new offices or relocating offices or residences for security or other duty of care reasons.

- **Major building.** FY26 spending reflects the completion of engineering studies and condition assessments, which provided the specifications to refine the overall HQ2 Asset Lifecycle program cost, the FY27–29 MTB, and the longer-term facilities capital plan. In addition, the spending provided project management resources to enable preparation for sourcing activities scheduled to commence shortly to procure services of the Construction Manager at Risk, Design firm and Commissioning Agent for HQ2. The FY27 proposed budget provides funds to continue with pre-construction activities for HQ2, which includes development of the commissioning plan, detailed programming and schematic design, followed by the start of phase 1 construction work (Box 8).

Box 8. HQ2 Asset Lifecyle Replacement

Over the last year, planning activities for the HQ2 asset lifecycle replacement have resulted in further refinement of cost estimates and reduced scope. Total estimated costs have been reduced compared to estimates last year, reflecting a more focused and risk-informed scope. These scope adjustments reflect the removal of discretionary improvements that were initially proposed for the first three floors. Instead, these can be considered as new investments in future years, should business needs justify additional investment in these areas. The program's objectives remain largely unchanged, with a focus on strengthening systems reliability, ensuring business continuity, advancing energy efficiency, and incorporating leading building management technologies to achieve cost-effective, enhanced performance and occupant experience.

Project sequencing, budget, and schedule were refined through two sequential pre-planning steps; a due diligence review to confirm existing useful life conditions and identify risks, followed by a detailed engineering assessment to validate system conditions and develop accurate scope, cost, and timing. The ten-year project timeline is structured to optimize system useful life while managing critical interdependencies. A governance structure has also been developed, which incorporates lessons learned from the HQ1 Renewal, focusing on robust oversight and risk management. After stakeholder consultation in the coming months, the governance structure will be implemented through establishment of relevant oversight bodies and procedures.

Planning and pre-construction activities will be conducted through the end of FY26. Design work will take place throughout FY27, with construction expected to start in the Spring of 2027. Additional details can be found in CSF's January 22, 2026 Board presentation.

23. IT-intensive capital. The Fund's IT-intensive investments are guided by the Business Technology Strategy (BTS), a flexible roadmap for FY25–FY28 that advances the Fund's mission through innovative, sustainable, and accessible technologies. The BTS focuses on expanding cybersecurity capabilities, scaling AI across core business, and reducing technical debt. In the medium term, pressure from cloud licensing costs will require close monitoring to avoid crowding out new investments. Spending in FY26 is projected to rise 13 percent due to improved project execution. About $11.7 million is projected to be available to carry over to FY27 (versus $17.0 million last year). The proposed IT-intensive capital budget is at par with FY26 and incorporates planned needs from current projects and new investments from a strong pipeline of medium-term demand.

- **Direct Investments.**
  - **Infrastructure.** In FY26, spending includes work to upgrade network equipment, servers, storage capacity, and end-user equipment such as Fund laptops and mobile devices. For the FY27 proposed budget, in addition to routine upgrades for network equipment, servers, and storage capacity, these investments will also fund end-user equipment.

- **Priority Investments.**
  - Transformation projects (Table 13). In FY26, the Fund completed several major digital transformation projects – Nexus, iData, Intranet, and Common Review System – that have significantly strengthened operational capabilities. All implementation phases, including hypercare support, stabilization, are now complete, and closeout activities on target to complete by end FY26. Collectively, these initiatives have modernized the Fund's digital infrastructure, improved data accessibility, and enhanced internal review and documentation processes, positioning the organization for greater agility and effectiveness in the future. The FY27 proposed budget focuses on completing HR Modernization with the goal of improving existing functionality and business processes for Leave and Absence and required attestations in Workday.
  - FY26 spending includes projects related to cybersecurity and AI (Box 9), as well as other critical business systems such as iFIN Core banking system, SWIFT, IMF.org, Data Privacy Program, and updates to CDMAP 2.0. The FY27-29 proposed budget provides for ongoing projects in these areas and other major business systems such as, SFA Multi-Currency Integration, Concessional Financing, Centralized Executive Board & Governance Platform, Integrated Workplace Management System, Corporate Finance Optimization (ERP enablement), and the Fund's Records and Archives.

- **CCE.** FY26 spending on cloud license is expected to rise at a slightly slower pace than budgeted, reflecting substantial consolidation efforts by ITD. These costs are projected to increase in FY27 to $26.7 million due to higher unit prices and retirement of on-premises systems.

Table 13. Estimated Capital Needs for Transformation Projects, Nominal, FY26-27
(Millions of U.S. dollars)

	Overall Project				FY 26	FY 27	
	Total Est. Project Cost	Approved to date	Est. spend to date (end FY26)	Approved resources remaining	Est. FY26 outturn	Est. Spend Real	Est. Spend Nominal
Total	**81.8**	**81.8**	**77.6**	**4.2**	**10.8**	**2.1**	**2.2**
HR Modernization	7.6	7.6	4.9	2.7	3.7	2.1	2.2
Nexus	25.8	25.8	25.8	0.0	0.1	0.0	0.0
iData	29.8	29.8	29.7	0.0	0.6	0.0	0.0
Intranet	9.6	9.6	9.4	0.2	3.3	0.0	0.0
CRS-Common Review System	9.0	9.0	7.7	1.3	3.1	0.0	0.0

Source: ITD.

Box 9. Cybersecurity and AI

The **Cybersecurity Strategy** remains focused on proactive defense, operational resilience, and cross-functional accountability. With the Board approved structural budget top-up, significant strides have been made in strengthening internal capacity As cyber threats continue to evolve, particularly with the acceleration introduced by AI, ongoing recalibration of both strategy and resources will be essential. Such adjustments will be managed through the governance structures of the Cyber Steering Committee and CBIT, with regular updates to the Board.

AI. With the fast-changing technological landscape, the Fund aims to embed AI into staff's daily work to enhance productivity, efficiency, and mission impact. The AI strategy is organized around 6 workstreams: collecting and prioritizing demand and implementing the highest impact projects; developing AI skills across the Fund; optimizing data through its lifecycle; building a robust ecosystem of AI tools and standards; researching and experimenting with AI trends; and providing an AI risk management framework to ensure safety, fairness and trustworthiness.

Significant progress has been achieved in addressing recent AI Maturity Assessment findings, which included: aligning the AI strategy with the Fund's ambition; forming a dedicated AI division; adopting a Hub-and-Spoke operating model; expanding training and talent development; strengthening data readiness; and institutionalizing responsible AI practices. AI tools have transitioned from targeted pilots to scaled deployment (e.g. launch of Microsoft Copilot 365, SPR Guidance Note Bot, SAMMY, AIDA 1.5, Talk2Manuals and FRIDA, as well as an AI Lab). AI governance continues to mature with the establishment of a cross-departmental responsible AI Framework. The next phase of work of the AI strategy will focus on adopting an AI value calculator, scaling AI across core functions aligned to AI Ambition, and further upskilling the Fund's workforce. HRD is also developing an AI People Strategy which will balance long-term transformation with near-term, practical AI enablement in HR operations. Additional details on both cybersecurity and AI can be found in ITD's annual BTS update and presentation to the Executive Board.

SECTION IV. RISKS

24. Budget risks. Consistent with the Enterprise Risk framework and taking account of corporate findings in the 2025 Risk Report, OBP has updated the risk self-assessment. The assessment reflects the new Fund's risk rating scale, in place since May 1, 2025:

- The assessment recognizes both significant mitigation activities and residual risk related to external drivers, requiring ongoing vigilance. (Figure 12 and Table 14).
- The update maintains the cybersecurity and data privacy risk to the budget as a moderate risk. Notwithstanding the additional investments recently approved in this area, the assessment reflects the multi-year nature of the cybersecurity strategy implementation. The strategy also recognizes the increasing sophistication of cyber-attacks.
- The likelihood of work pressures risks to the budget has moved from likely to possible, while maintaining this risk to the budget as moderate. The revision reflects the likelihood that the demand for Fund surveillance, program engagement and CD will remain high and subject to unexpected changes amidst heightened uncertainty facing the global economy, including that triggered by the war in the Middle East. At the same time, it recognizes some improvements in underlying work pressure indicators through reprioritization and the management-led streamlining exercise, albeit with pockets of high overtime remaining.
- Other key risks related to country engagement, CD funding, price uncertainty, capital and modernization, remain classified as moderate and contingent liability risks continue to be assessed as minor.

Figure 12. FY27-29 Budget Risks—Heatmap

	Minor risk	Moderate risk	Major risk	Critical risk
Critical				
Major				
Somewhat major				
Moderate		• Country engagement • Capital/modernization • CD Funding • Work pressures	• Cybersec/Data Privacy	
Somewhat moderate		• Price uncertainty		
Minor		• Contingent liabilities		
Impact / likelihood	Unlikely	Possible	Likely	Near Certain

Source: OBP and Departments.

Table 14. Enterprise Risk Self-Assessment for FY27-29 Medium-Term Budget	
Risk (Assessment)	**Risk Mitigation**
Country Engagement (Moderate). Demand for Fund services from members above envisaged levels, at the time of the budget formulation, particularly stemming from the war in the Middle East, may require postponement or cancellation of some activities, resource reallocation for programs, within an already constrained resource base.	Continued rigorous reprioritization to create space. Approved Crisis Preparedness Response Roadmap (CPRR). A small central buffer is maintained to address urgent needs, albeit with constraints also in available human capital with necessary expertise.
Work pressures (Moderate). Significant budget pressures arising from elevated volume of work and increasingly complex demands that make it difficult to absorb them effectively.	Ongoing strategic reprioritization and management-led streamlining exercise to further reduce overall work levels. Ensure resourcing remains available to address pressure points and deliver high quality, responsive work for the membership.
CD funding (Moderate). Medium-term shifts or decline in donor funding for specific regions, trust funds, 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 to address liquidity risks and funding rigidities, with donor diversification, prefunding of IMF02 vehicles, and consolidating smaller vehicles into larger, more flexible ones, such as the Global Public Finance Partnership (GPFP).
Price uncertainty (Moderate). Delinking salary structure increases from the budget deflator implies potential that the budget may need to absorb price differentials. In addition, price increases above CPI for some non-personnel inputs (e.g., 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 differentials in regular budget reporting. 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.
Capital and modernization (Moderate). Spending pressures, project implementation delays and cost overruns, growing cloud capital expenses, replacement of obsolete infrastructure, need to address rapidly changing IT landscape (including AI, with substantial operational implications) and sizable facilities investments.	More strategic prioritization and monitoring (through BTS) and long-term facilities planning. Closer monitoring of capital planning and execution (including CCE) as part of strengthened governance and organizational capacity.
Cyber security/data privacy (Moderate). Increased sophistication of cyber-attacks across organizations highlights the importance of ongoing investment to support mitigation and resilience measures.	Maintain strong implementation of the comprehensive cyber security strategy set out in ITD's Business Technology Strategy (BTS) within the planned funding aimed at bringing the Fund's cybersecurity maturity to higher level.
Contingent liabilities (Minor). Tighter budget and reduced buffers require increased 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, LEG, and HRD.

SECTION V. SUMMARY PROPOSAL FOR FY27

25. 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 15). The capital budget is made up of building facilities, IT-intensive capital, encompassing direct and cloud capital equivalent spending.

Table 15. Proposed Appropriations, Financial Year 2027

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

	General	OED	IEO	Total
Gross Fund-financed budget	**1,594.5**	**126.3**	**8.5**	**1,729.3**
Net administrative budget	**1,491.6**	**101.6**	**8.1**	**1,601.3**
of which				
Overseas Annual Meetings	5.4	2.3	...	7.7
General receipts	**47.9**	**2.0**	**...**	**49.9**
Temporary resources	**55.0**	**22.7**	**0.4**	**78.1**
FY26 Fund-financed carryforward (upper limit)[1]	43.3	22.7	0.4	66.4
Other Fund-financed transitional resources[2]	11.7	...	...	11.7
Gross Externally financed budget	**304.4**	**...**	**...**	**304.4**
Externally financed receipts	295.7	...	...	295.7
FY26 externally financed carryforward (upper limit)	8.6	...	...	8.6
Gross Administrative Envelope (upper limit)	**1,898.9**	**126.3**	**8.5**	**2,033.7**
Capital budget	**...**	**...**	**...**	**129.4**
Building facilities	...	...	...	56.8
IT-Intensive	...	...	...	72.6
Memorandum items:				
Net administrative budget in mil. of FY26 dollars	1,452.4	99.0	7.9	1,559.2
Overseas Annual Meetings budget in mil. of FY26 dollars	5.3	2.2	...	7.5
Fund-financed carryforward, upper limit (in percent)[3]	3.0	...	5.0	...
Externally financed carryforward, upper limit (in percent)	3.0	...	...	...

Source: OBP. [1] 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. [2] Other transitional resources indicate available resources from OED/IEO excess underspend above their carryforward limits. [3] The proposal reflects a decrease in the general carryforward limit from 4 to 3 percent. For OED, the carryforward limit is the greater of the maximum of 25 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. FY27 Administrative Budget

A. Appropriations for net administrative expenditures for Financial Year 2027 are approved in the total amount of US$1,601.3 million: (a) up to US$101.6 million may be used for the administrative expenditures of the Offices of Executive Directors, (b) up to US$8.1 million may be used for the administrative expenditures of the Independent Evaluation Office, and (c) up to US$1,491.6 million may be used for the other administrative expenditures of the Fund.

B. A limit on gross administrative expenditures in Financial Year 2027 is approved in the total amount of US$2,033.7 million, with sub limits of (a) US$126.3 million for the administrative expenditures of the Offices of Executive Directors, (b) US$8.5 million for the administrative expenditures of the Independent Evaluation Office, and (c) US$1,898.9 million for the other administrative expenditures of the Fund.

C. The gross appropriations set out in paragraph B above, include any underspend from FY26 as follows:

a. Amounts appropriated for net administrative expenditures and temporary resources for Financial Year 2026 that have not been spent by April 30, 2026 are authorized to be carried forward and used for administrative expenditures in the Financial Year 2027 in a total amount of up to US$66.4 million, with sub limits of (a) US$22.7 million for the Offices of Executive Directors, (b) US$0.4 million for the Independent Evaluation Office, and (c) US$43.3 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 2026; and (ii) the IEO underspend above the carryforward limit.

c. Amounts appropriated for gross externally financed administrative budget for Financial Year 2026 that have not been spent by April 30, 2026 are authorized to be carried forward and used for gross externally financed administrative expenditures in the Financial Year 2027 in a total amount of up to US$8.6 million.

d. The amount of any underspend or carryforward with respect to expenditures authorized for the Financial Year 2026 under a, b and c above shall be determined in the Financial Year 2026 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 carryforward amount as established under subparagraph (d) above is less than the maximum authorized under subparagraph (a). above.

Decision 2. FY27 Capital Budget Appropriations for Financial Year FY2027

Appropriations for capital projects underway or beginning in Financial Year 2027 are approved in the total amount of US$129.4 million and are applied to the following project categories:

(i) Building Facilities: US$56.8 million

(ii) IT intensive, including direct spending and Cloud Capital Equivalent: US$72.6 million

Annex I. Budget Process Overview

1. Budget process. The budget process begins with the membership's priorities as expressed in the Managing Director's Global Policy Agenda and 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., FY27 = May 1, 2026 to April 30, 2027

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 externally, 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)

2. Carryforward. 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, 5 percent in FY25, and 4 percent in FY26, reverting to the 3 percent historic norm in FY27.
- IEO's CF limit has varied between 5 and 8 percent since FY21. It will remain at 5 percent in FY27.
- 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. Subject to a Board decision, the limit will be reduced to 25 percent level in the FY27 budget cycle and revert to the 20 percent limit in FY28.

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 for the general budget:

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

Where:

U_t = underspend in current FY ($B_t + CF_{t-1} - E_t$)
B_t = general 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 general net administrative budget. This limit is approved by the Executive Board.

3. **Capital budget**. 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.

4. **Cloud Capital Equivalent (CCE).** 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. Resource Implications of Policy Reviews in FY26-FY27

(Updated)

POLICY REVIEWS FY26 To-Date		
Review of the Cumulative Access Limits Under the Rapid Credit Facility November 2025	The Review concluded with the approval of a two-step, time bound reversion of RCF CALs to pre pandemic levels by the start of 2028. Staff assessed that the resource implications for the Fund will be minimal, given the successful post-pandemic transition of most LICs to UCT-quality arrangements.	Neutral
Review of the Short-term Liquidity Line (SSL) December 2025	The Review concluded that the SLL will terminate in April 2027, at the end of the seven-year period following its establishment, in line with the original design of the instrument. The completion of the Review doesn't have any resources implications.	Neutral

ONGOING AND UPCOMING POLICY REVIEWS

The FY27 Board Work Program envisages the completion or further progress of various policy reviews initiated in FY26. Given the timeline for completion of most major policy reviews, the resource impact of these reviews will be presented in the FY28-FY30 Budget paper.

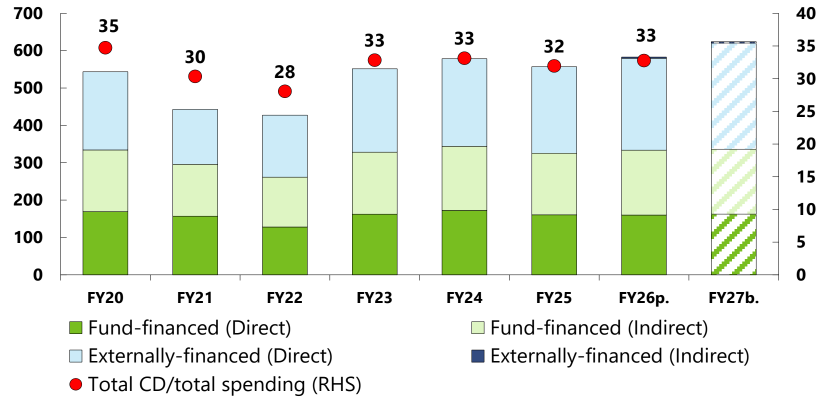
Comprehensive Surveillance Review
FSAP Review
EBA Methodology Update
Update on Implementation of the Framework for Fund Engagement on Governance
Data and Macro-Financial Consistency
Review of the Debt Sustainability Framework for Low-Income Countries
Review of Program Design and Conditionality
Eligibility to Use the Fund's Facilities for Concessional Financing
Monetary Policy Frameworks for Crisis and Near-Crisis Countries.
Update of the implementation of the FCS Strategy
Catastrophe Containment and Relief Trust (CCRT) Review
CD Stabilization Mechanism
The Fund's Work on AI

Annex III. CD Funding and Budget/Spending Evolution

1. Spending/Budget

- **FY26 spending.** Based on first three quarters of FY26, overall real CD spending, including corporate overheads, is projected to increase by $26 million (4.6 percent) in FY26 to $583 million. CD represents about 1/3 of total Fund spending. Higher projected spending reflects higher execution for both IMF01 and IMF02 budgets.

CD Spending by Funding Source – FY20-27[1]
(In millions of FY26 U.S. dollars)



Source: OBP. [1] Direct = delivery, travel, analytics, mgt/admin. Indirect = HR, IT, facilities, Fund governance.

- **FY27 budget.** The overall envelope is programmed by departments to remain flat for IMF02 and decline marginally for IMF01 in real terms year-on-year reflecting resource shifts toward bilateral surveillance and lending.

CD Utilization and Share of Spending
(Percent)

	FY25	FY26p
Utilization		
Total	85	91
Fund Financed	90	98
Externally Financed	82	87
Shares (FF/EF)		
Overall	59/41	57/43
Direct	41/59	39/61

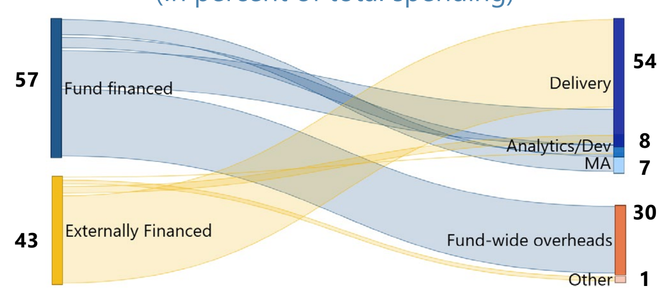
Source: OBP.

2. Funding source. The ratio of overall projected FY26 spending financed by the Fund versus externally is 57/43. In terms of direct costs—travel, analytics, management and administration (policy, financing and oversight) but excluding Fund-wide overheads—this ratio is projected at 39/61. Externally financed CD is projected at $249 million and Fund-financed direct spending at $160 million.

3. Spending by output.

- Direct spending is expected to reach $406 million (70 percent of total CD spending).
  - Delivery represents 54 percent of total CD, with about 71 percent of delivery externally funded.

FY26 Projected CD Spending—Funding and Outputs
(In percent of total spending)



Source: ICD, OBP, and staff estimates.

- Analytics/tool development (8 percent of total) and management/administration (7 percent) are mainly Fund-financed.

4. Spending by input. Personnel costs remained the largest component of direct CD (about ¾ of the total). Fund-financed CD activities are mainly conducted by staff, while external financed CD mainly by short-term and long-term experts and contractual staff, given the more uncertain nature of external financing.

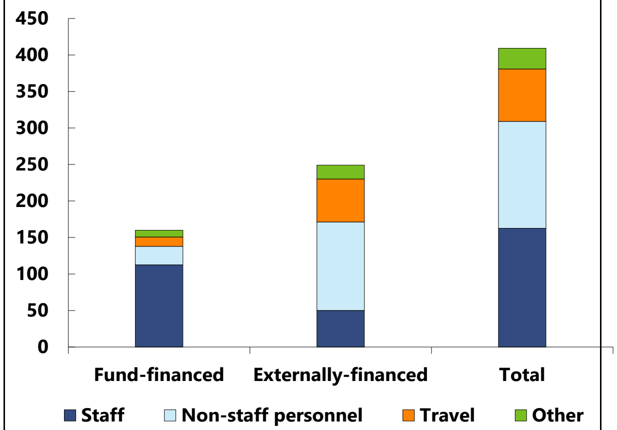
5. Distribution by Workstream. CD delivery continues to focus on traditional areas––public finances, monetary policy and financial system, statistics, macro-frameworks and legal frameworks—with public finance and AML/CFT, anticorruption, and legal reform work increasing in shares.

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

7. Distribution by Region. FY26 CD spending shares relative to FY25 are projected to increase in MCD, supported by contributions from Saudi Arabia, and in WHD, involving a pilot training program in the region. In FY27, shares will increase in AFR and EUR relative to FY26 reflecting fiscal-debt issues and FCS (AFR) and continued scale up for Ukraine and the planned Southeast Europe Regional Technical Assistance Center (EUR).

FY26 Projected Direct CD Spending by Input

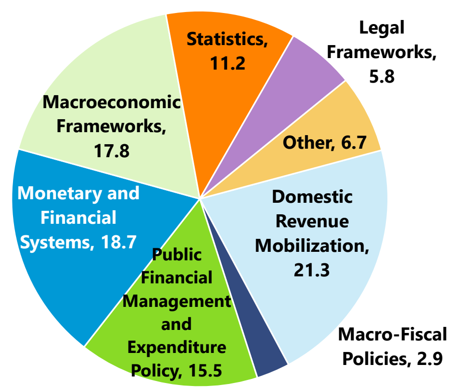
(In millions FY26 U.S. dollars)



Source: OBP, staff estimates.

FY26 Projected Delivery by Workstream

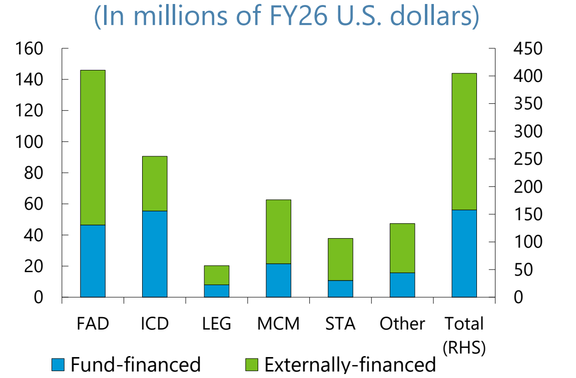
(Percent)



Source: ICD, OBP.

FY26 Projected CD Direct Spending by Delivery Dept

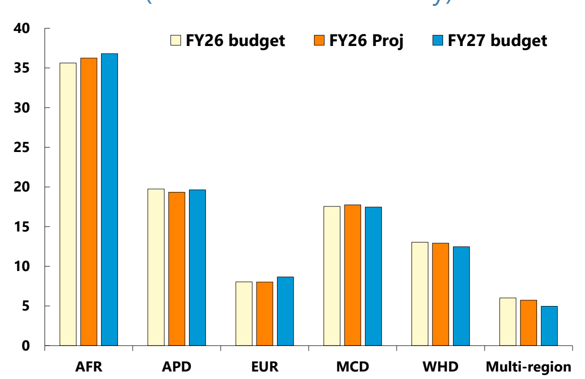
(In millions of FY26 U.S. dollars)



Source: OBP.

FY26 Projected CD Delivery by Region

(Percent of total delivery)



Source: ICD, OBP.

Annex IV. Spending on Selected Macro-Critical Structural Issues

Methodology

Spending estimates for macro-critical structural issues are provided by departments based on a top-down survey on personnel spending (staff and contractual) and a pro-rata share of personnel overheads and discretionary spending. Figures exclude Fund-wide overheads. This work uses standardized estimation and validation tools and is supported by strategic engagement with departmental managers and issue-specific strategy teams.

Budgets are also based on departmental estimates, with annual adjustments reflecting updates stemming from budget formulation. Budgets for AI (economics) and Trade/Fragmentation are collected from FY26.

1. **Overview**. This annex highlights the Fund's ongoing efforts to strengthen and mainstream work on several macro-critical structural issues within the Fund's mandate, in partnership with other organizations for related work outside Fund expertise. With a constrained budget and the need to protect funding for traditional Fund activities, the Executive Board approved the FY23-25 budget augmentation in the context of the FY23-25 Medium-term Budget. The augmentation has been implemented as programmed (see Annex II. Box 2 in the FY25 Budget Outturn report). Ongoing mainstreaming will support high impact and efficient implementation after a foundational period of growth in many areas, with preliminary FY27 spending plans pointing toward more steady state levels, as anticipated in the framework and detailed below. Strategic prioritization under the CSR will provide further strategic guidance on the focus of Fund engagement and inform the FY28-FY30 budget cycle.

2. **Trends in Fund-financed budgets/spending** (Table 1, Figure 1). FY27 budget plans incorporate departmental expectations reflecting changing needs, considering also projected over/underspending versus budget in FY26. The FY26 Budget Outturn paper will discuss the final FY26 outturn estimates in more detail and update FY27 budget plans.

- FY26 Fund-financed spending projections point to sizeable increases in trade/fragmentation and debt relative to FY25. Departments budget expectations for FY27 reflect spending above budget in FY26 and expectations that spending in both areas will increase further.
- Estimates also suggest increases in the FY26 Fund-financed spending for macro-critical work on governance/anti-corruption, and digital money, and AI (economics). Departments anticipate increases in FY27 budgets for governance and AI (economics), while budgets for digital money are expected to decline slightly. Upside spending pressures will be monitored, with departments maintaining flexibility to shift additional resources into required areas as needed.
- Departments project declines in FY26 spending associated with work on macro-critical aspects of climate and inclusion/gender relative to FY25, with this trend expected to continue in FY27. Following the significant investment in recent years to build expertise, assess macro linkages, and develop tools, the Fund is entering the post ramp-up phase, where these issues will be mainstreamed in macroeconomic analysis and covered in a more periodic and risk-based framework, proposed to focus on cases where the macro-linkages are acute and the need for policy action is urgent.

Annex IV. Table 1. Fund-Financed Spending and Budget on Selected Macro-Critical Structural Issues by Department Type, FY23-FY27[1]

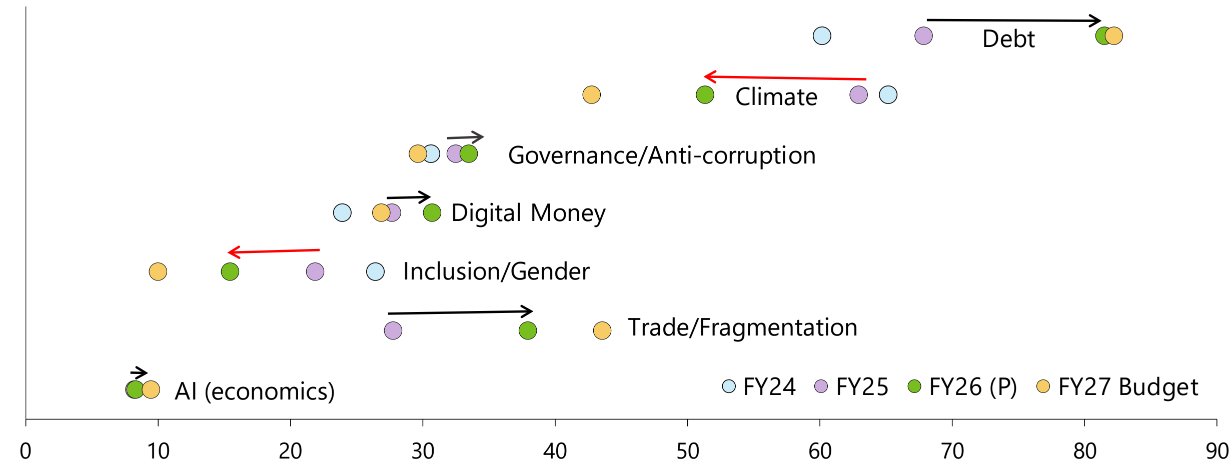
(Millions of FY26 U.S. dollars)

	FY23		FY24		FY25		FY26		FY27	FY26-FY25	FY26
	Budget	Outturn	Budget	Outturn	Budget	Outturn	Budget	Outturn (P)	Budget	Outturn (P)	Bud - Outturn (P)
Debt	**44.2**	**53.1**	**43.5**	**60.5**	**41.5**	**68.1**	**62.8**	**81.5**	**82.6**	**13.4**	**-18.7**
ADs	23.6	30.1	24.2	33.3	24.2	40.4	41.1	50.0	51.6	9.6	-8.9
CD FDs	14.0	14.6	12.6	18.2	11.7	19.5	17.0	22.6	21.2	3.0	-5.5
Non-CD FDs	6.7	8.4	6.7	8.9	5.6	8.2	4.7	9.0	9.8	0.8	-4.2
Climate	**34.8**	**51.8**	**46.7**	**65.5**	**56.1**	**63.3**	**57.4**	**51.4**	**42.9**	**-11.9**	**6.0**
ADs	15.7	26.2	19.2	29.4	22.2	27.7	22.4	22.0	17.9	-5.7	0.4
CD FDs	13.8	16.3	19.3	24.3	22.2	25.0	25.8	22.1	19.6	-2.8	3.6
Non-CD FDs	5.3	9.3	8.2	11.8	11.6	10.6	9.2	7.2	5.4	-3.3	2.0
Governance/anti-corrup	**22.0**	**24.0**	**22.5**	**30.6**	**22.5**	**32.5**	**28.0**	**33.4**	**29.7**	**0.9**	**-5.3**
ADs	14.9	14.8	15.4	19.5	15.4	20.6	19.2	21.8	20.4	1.2	-2.6
CD FDs	5.6	7.5	5.6	8.9	5.8	9.6	7.3	10.2	7.9	0.5	-2.9
Non-CD FDs	1.5	1.7	1.5	2.3	1.3	2.3	1.5	1.4	1.3	-0.9	0.1
Digital money	**16.6**	**20.4**	**21.6**	**24.1**	**28.3**	**27.9**	**31.3**	**30.8**	**27.1**	**2.9**	**0.5**
ADs	3.3	7.0	4.4	6.7	7.2	6.1	6.5	6.9	7.0	0.8	-0.4
CD FDs	10.2	11.5	12.8	13.9	15.2	16.2	18.0	17.6	13.6	1.4	0.4
Non-CD FDs	1.6	1.9	2.6	3.0	4.1	3.7	4.4	4.0	4.1	0.3	0.4
Support	1.6	...	1.8	0.4	1.8	1.9	2.4	2.4	2.4	0.5	0.0
Inclusion/gender	**15.9**	**19.3**	**16.6**	**26.6**	**16.7**	**22.0**	**15.6**	**15.4**	**10.0**	**-6.5**	**0.2**
ADs	6.5	10.4	6.7	15.5	6.7	11.6	7.5	8.4	5.6	-3.2	-1.0
CD FDs	4.4	5.5	4.4	6.5	4.5	7.0	5.2	5.0	3.3	-1.9	0.2
Non-CD FDs	5.0	3.5	5.5	4.6	5.5	3.4	3.0	2.0	1.2	-1.4	1.0
Trade/Fragmentation	**...**	**...**	**...**	**...**	**...**	**27.8**	**36.5**	**37.9**	**43.6**	**10.1**	**-1.3**
ADs	...	...	...	...	...	18.8	28.6	27.1	32.9	8.2	1.5
CD FDs	...	...	...	...	...	2.2	2.1	2.4	2.4	0.2	-0.2
Non-CD FDs	...	...	...	...	...	6.8	5.8	8.5	8.3	1.7	-2.6
AI (economic work)	**...**	**...**	**...**	**...**	**...**	**8.2**	**7.1**	**8.3**	**9.5**	**0.1**	**-1.2**
ADs	...	...	...	...	...	4.7	4.7	5.6	5.9	1.0	-1.0
CD FDs	...	...	...	...	...	1.3	0.8	1.2	1.2	-0.1	-0.4
Non-CD FDs	...	...	...	...	...	2.2	1.7	1.5	2.4	-0.7	0.2

Source: OBP, Departments. [1] See Text Box, above, for methodology. Externally financed spending is presented in Figures 2-8.

Annex IV. Figure 1. Fund-Financed Spending in Selected Macro-critical Structural Issues[1]

(Millions of FY26 U.S. dollars)



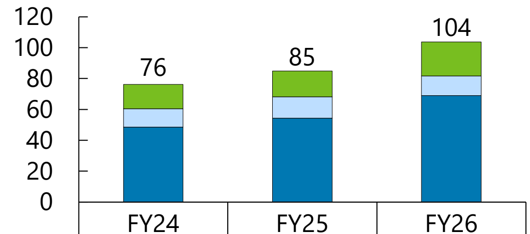
Source: Dept estimates. [1] Estimates for trade and AI began in FY25. Arrows = change in spending between FY25 and FY26 (P).

3. Spending by Macro-critical Structural Issue Areas

- **Debt** (Table 1, Figure 2)**.** FY26 Fund-financed direct spending is up 20 percent versus FY25, driven by a ramp up of debt work in AFR, FAD, LEG, STA, and SPR. Spending is above expectations set out by departments in the FY26 medium-term budget process, particularly in AFR, SPR, MCM, and FAD.

Annex IV. Figure 2. Debt Spending

(Millions of FY26 U.S. dollars)



	FY24	FY25	FY26
IMF02	16	17	22
IMF01 CD	12	14	13
IMF01 Non-CD	49	54	69

Source: Dept estimates.

  - Work focused on direct country support to countries facing high risks of debt distress and debt restructuring both under and outside the Common Framework for debt treatments; advancing the work at the Global Sovereign Debt Roundtable (GSDR) to improve further restructuring processes; and cooperating with the World Bank to help countries address debt services challenges and improve debt data reporting and disclosure.
  - Area and CD departments account for about 60 and 30 percent of Fund-financed spending, with non-CD functional making up the remainder.
  - CD activities constitute about a third of the spending, with external resources financing covering 60 percent of these activities, especially in FAD and MCM.

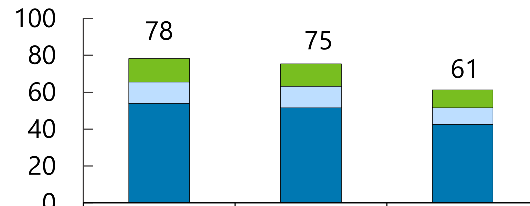
  - Increases between FY25 and FY27 budgets are driven by AFR, EUR, SPR, MCD, ICD, and APD, partially offset with a decline in RES.

- **Climate** (Table 1, Figure 3). Fund-financed spending on macro-critical aspects of climate grew from a very low base at the beginning of the decade, reinforced by the FY21 strategy, solidification of financing under the augmentation (through which some $25 million in resourcing was allocated specifically to this work), and refinement in subsequent reviews incorporating changing circumstances (including the introduction of the RST) and lessons learned. Spending in the initial ramp-up phase consistently exceeded expectations but has now begun to moderate as this work is mainstreamed. For FY26, spending was below expectations set out by departments, particularly in FAD and SPR.

  - In FY26, work focused on integrating macro-critical aspects of climate into Article IV reports and climate risk analysis as well as integrating climate-related financial risks supervision into FSAPs. Examples include impact of climate-induced shocks on growth and financial system through agricultural losses (Morocco, Zimbabwe) and tourism disruptions (Jamaica, Bahamas), calling for fiscal buffers and public investment management as well as integration of climate risks into prudential frameworks and climate-related stress testing. Other examples are country reports that looked at the impact of sea-level rise and extreme weather on growth, fiscal sustainability, debt dynamics, and the financial system (Tuvalu, Marchall Island). On policy and analytics, key themes covered included weather shocks and monetary policy in developing countries; building macroeconomic resilience to natural disasters; and models for climate risk analysis.

Annex IV. Figure 3. Climate Spending

(Millions of FY26 U.S. dollars)



	FY24	FY25	FY26
IMF02	13	12	10
IMF01 CD	12	12	9
IMF01 Non-CD	54	51	43

Source: Dept estimates.

  - On lending, RSF work included engagement with the authorities of countries seeking new arrangements. Work also went into better identifying and providing a qualitative assessment of the links between RSF conditionality and the reduction in prospective BOP risks, as well as into strengthening further the link between CD and RSF conditionality design and implementation.

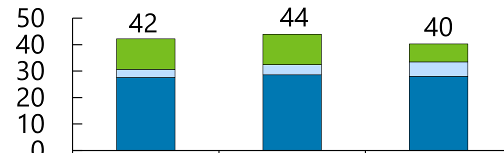
  - Area and CD departments each account for about 45 percent of Fund-financed spending, with the residual share in non-CD functional departments.

  - CD comprises less than a third of the overall activities and is financed almost evenly by Fund and external resources.

  - Declines between FY25 and FY27 budgets reflect the ongoing shift to more targeted and selective coverage of climate issues in Fund products. They are driven by EUR, SPR, RES, APD and STA, with increases in AFR reflecting in part RSF-related work.

- **Governance/Anticorruption** (Table 1, Figure 4). Fund-financed direct spending in FY26 is estimated to rise 3 percent versus FY25, with most spending concentrated in AFR, LEG, and FAD. Spending was somewhat above the expectations set out by departments, mainly in AFR and FAD.

Annex IV. Figure 4. Spending on Governance/Anticorruption
(Millions of FY26 U.S. dollars)



	FY24	FY25	FY26
IMF02	12	11	7
IMF01 CD	3	4	5
IMF01 Non-CD	28	29	28

Source: Dept estimates.

  - Work focused on macro-critical governance vulnerabilities in fiscal, financial, and monetary areas. Article IV consultations and program design integrated Governance Diagnostic Assessments and on-demand follow-up support to implement its recommendations (e.g. in Egypt, Ghana, and Zambia). Resources also enabled deeper coverage of governance and transnational aspects of corruption in bilateral surveillance linked to offshore financial centers, for example in Caribbean jurisdictions.

  - Area and CD departments account for 65 and 30 percent of Fund-financed spending, with non-CD functional departments making up the remainder.

  - CD spending represents less than a third of the overall spending and is mainly financed with external funding.

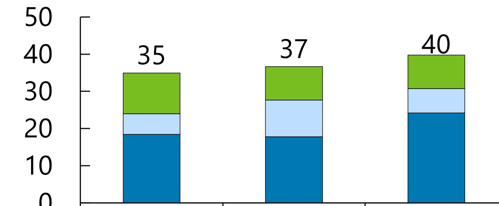
  - Increases between the FY25 and FY27 budgets are driven by APD, AFR, FAD, and LEG. These increases will be somewhat offset by projected budget declines mainly in EUR. The Board will receive an update on the implementation of the Framework for Fund Engagement on Governance in late 2026.

- **Digital money** (Table 1, Figure 5). Fund-financed spending is estimated by departments to be up 11 percent versus FY25, with broad increases across the Fund. Spending was nearly in line with expectations set out by departments in the FY26 medium-term budget process.

  - Work included coverage of digital payment systems, innovations in financial market infrastructures (e.g., Sub-Saharan Africa) and regulation/supervision of fintech and crypto assets, including stablecoins in Article IVs and FSAPs. The latest CBDC Virtual Handbook - Further Navigating Challenges and Risks provides insights into the emerging implications and trade-offs of CBDC. Some CD projects were delivered on these topics.

- CD departments account for 55 percent of Fund-financed spending, Area Departments, 20 percent, with non-CD functional departments and ITD making up the remainder.
- CD spending comprises about 40 percent of the overall spending, with external resources financing slightly above half of these activities.
- Declines between the FY25 and FY27 budgets are driven by MCM, LEG, APD, and WHD. Increases mainly in AFR, STA, and ICD will partly offset these declines.

Annex IV. Figure 5. Digital Money Spending
(Millions of FY26 U.S. dollars)

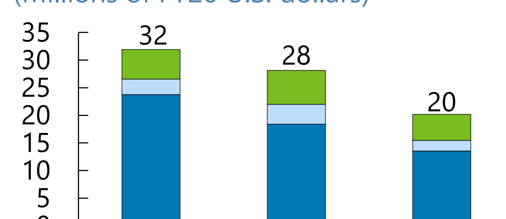


	FY24	FY25	FY26
IMF02	11	9	9
IMF01 CD	6	10	7
IMF01 Non-CD	18	18	24

Source: Dept estimates.

- **Inclusion/Gender** (Table 1, Figure 6).
  - Fund-financed spending is estimated to have declined by about 30 percent relative to FY25 peaks. This reflected more selective coverage of the macro-critical challenges in Fund activities following ramp-up, particularly in AFR, MCD, SPR, and ICD. Spending was in line with expectations set out in the FY26 medium-term budget.
  - Work focuses on macroeconomic impact of inequality, social spending, and gender in Article IV consultations and of inclusion in program design. Examples of gender work include the closing gender gaps in labor force participation, linking policy measures to productivity gains and strengthening of financial inclusion (Saudi Arabia and Bangladesh). Another example is the analysis of costs and benefits of childcare provision and conditional cash transfers in raising low levels of female labor force participation (Turkiye). On the analytical side, work has focused on examining fertility and female labor force participation concerns (Korea) and on the impact of female labor force participation to ease fiscal pressures and stimulate growth as well as gender and labor supply impacts from migration in Latin America and the Caribbean.
  - Area departments account for about half of the Fund-financed spending, CD functional departments for about a third, with non-CD functional

Annex IV. Figure 6. Inclusion/Gender Spending
(Millions of FY26 U.S. dollars)



	FY24	FY25	FY26
IMF02	5	6	5
IMF01 CD	3	4	2
IMF01 Non-CD	24	18	14

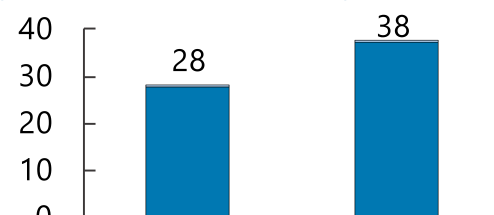
Source: Dept estimates.

departments accounting for the remainder.

- CD work constitutes almost a third of the overall spending and is financed mainly with external resources. CD for targeted mid-senior officials included a course on Gender Inequality and Macro-economics (GM).
- Decreases between the FY25 and FY27 budgets are driven by SPR, RES, EUR, APD, and FAD. An increase in AFR will partly offset these declines.

- **Trade/Fragmentation** (Table 1, Figure 7). Fund-financed direct spending in FY26 is estimated to increase 36 percent relative to FY25, with most spending concentrated on non-CD activities in APD, AFR, EUR, RES, and SPR. This spending was slightly above the expectations set out by departments in the FY26 medium-term budget, particularly in AFR and SPR.

Annex IV. Figure 7. Spending on Trade/Fragmentation
(Millions of FY26 U.S. dollars)



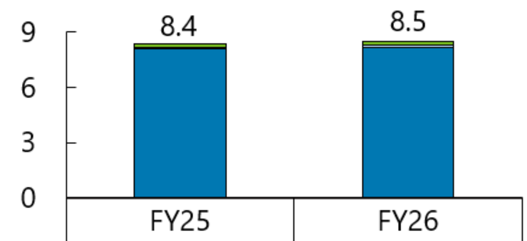
	FY25	FY26
IMF01 CD	0.1	0.6
IMF01 Non-CD	28	37

Source: Dept estimates.

  - Consistent with the Fund's mandate, the work on trade focuses on helping countries navigate the challenges posed by geoeconomic fragmentation and the proliferation of trade and industrial policies. In addition, work has focused on operationalizing the trade strategy by bringing macroeconomic, fiscal, and financial perspectives to trade policy issues. Work also includes the updated trade policy and modeling guidance for desk economists. In multilateral surveillance, work centered on maintaining a leading role in the analysis of the global effects of trade policy actions and ongoing policy changes in major economies, while promoting dialogue across countries, and cooperating with other international organizations.
  - Area departments account for about 70 percent of the Fund-financed spending, non-CD functional departments for nearly 20 percent, and CD functional departments, for the rest.
  - There is little CD work in this area, with all the work concentrated in ICD, financed by Fund resources.
  - Increases between the FY26 and FY27 budgets are driven by APD, AFR, WHD, RES and SPR.

- **Artificial Intelligence (economics)** (Table 1, Figure 8). Fund-financed spending in FY26 is broadly unchanged from FY25, with most spending concentrated in APD, EUR, AFR, MCM, and RES.
  - Work on AI (economics) is in early stages, with recent work mainly centered on country analysis—with a focus on the macroeconomic/ financial impact of AI, such as impact on labor and financial markets. In addition, country teams are actively gathering knowledge through surveillance activities and convening experts to share policy responses and foster international consensus and regulation.

Annex IV. Figure 8. AI (Economics)
(Millions of FY26 U.S. dollars)



	FY25	FY26
IMF02	0.2	0.2
IMF01 CD	0.1	0.1
IMF01 Non-CD	8.1	8.2

Source: Dept estimates.

  - Area departments account for about 70 percent of the Fund-financed spending, non-CD functional departments for 20 percent, and the CD functional departments for the rest.
  - There is little CD work in this area, consistent with the early stage of Fund engagement. Spending is concentrated in FAD and ICD and mainly financed by external resources.
  - FY27 budgets are roughly flat at last year's level with spending in this area driven by EUR, RES, MCD, APD, and AFR. The Executive Board will discuss the Fund's Work in AI this Fall.

Annex V. Strengthened Budget Data Framework

1. The Fund's budget data framework requires ongoing updates to ensure it remains fit-for-purpose to support institutional decision-making and monitoring. In recent years this has required significant investments to address end-of-life systems and processes; expanded needs related to the granularity and coverage of reporting; and improvements in linkage with strategic decision making, including to support implementation of commitments in the Management Implementation Plan (MIP) for the recent IEO report on the Evolving Application of the Fund's Mandate. These initiatives fall within a three-pronged approach including improvements in costing; reporting and monitoring; and systems modernization. They focus on enhancing data accuracy, comparability, and traceability, as well as transparency and ease of use across the Fund. This annex focuses on updates to general budget systems and processes, with SEC leading additional activities to improve accessibility of budget-related information for ED offices.

Annex V. Figure 1. Three-Pronged Approach

Strengthening Costing Practices

2. This workstream focuses on strengthening costing practices to ensure more consistent, standardized, and forward-looking assessments of resource implications associated with new initiatives and policy reviews. Key actions include:

- **Standardized upfront costing:** As emphasized in the IEO's Report on the Fund mandate, robust costing is critical to strategic planning, supporting linkage between strategy and resource planning. The MIP emphasizes its role in informing resource allocation decisions by clarifying expectations about what activities would be feasible within the existing resource base for the specific area through internal reprioritization versus what would require additional net resourcing, thereby surfacing trade-offs in the medium-term budget. Updated guidelines, anticipated in the management-led streamlining initiative, will require departments to provide estimates for the immediate and projected medium-term costs associated with new policy proposals, for both the lead and affected departments.
- **Integration into medium-term planning:** These more consistent resource estimates will be integrated into the medium-term budget to provide a holistic view of institutional resourcing needs and facilitate the assessment of trade-offs, expanding information currently provided in budget reports on the resource implications of policy reviews and evaluations (Annex II).
- **Non-recurrent items in Board Work Program:** Since FY25, costing of non-recurrent items have been included in the Board Work Program (BWP) to clarify their resource impact and facilitate the consideration of trade-offs, based on departmental estimates. The FY26 BWP expanded the exercise to include costing estimates of multi-year items over the full cycle.

Enhancing Reporting and Monitoring

3. Significant recent and ongoing work has focused on expanding and refining budget reporting and monitoring through enhancements to the scope, granularity, and presentation of budget data. The objective is to strengthen transparency, providing more strategic insights for both the Board and staff. Ongoing workstreams are improving data across topics, outputs, and inputs, with special attention to data and tools for tracking personnel-related developments.

- **Output costing.** The Fund's core output costing tools have required significant investment related to end-of-life systems challenges and needed updates to reflect changes in underlying activities. Several related workstreams have been undertaken:
  - A review of underlying definitions and related documentation has been completed, supporting more robust time-series information and needed flexibility to adjust to underlying changes in Fund activities and reporting needs.
  - This work was a precursor to end-of-life systems updates, with related rollout to be completed in the first half of CY26.
  - Related dashboards will provide a user-friendly one-stop data source for departments, translating their time reporting to spending data at the output level and support aggregate reporting of changes in spending and budgets by output.
  - It will also play an important role in improving the tracking of CD spending, including both the direct delivery costs and the associated overheads that support delivery activities, and strengthening alignment between budget and CD platforms, which both draw on time-reporting data.
- **Topics**. With Fund time reporting framed around spending by the Fund's strategic outputs (e.g., surveillance, capacity development, and policy work), an alternative system to estimate spending (and budgets) by selected macro-critical structural issues (such as climate or debt) in a cost-effective manner is needed to support strategic monitoring. The importance of such data was another key insight in the IEO mandate report. In this context, refinement of a standardized, top-down estimation framework and related tools to support consistent time-series data has been a key focus in recent years, as detailed in Annex IV. Final estimates provide an analytical basis for discussion of resource allocation and spending trends in selected issue areas at the departmental, management, and Board level.
- **Inputs.** The Fund also monitors and reports budgets and spending by traditional "inputs," including personnel and non-personnel costs (e.g. travel), at both the aggregate and departmental levels and by funding source. Significant efforts have focused on reducing manual collection through standardizing and simplifying/automating data production and reporting. Recent reporting has expanded information on utilization, volume- and price-driven changes for key expenditure categories, and average costs by key dimensions. Given that over three-quarters of administrative spending is personnel-related and with changes in personnel dynamics reflecting broader changes in the Fund's strategic needs, recent work has also focused on

reporting on personnel structures—covering staff and non-staff headcounts, locations, grades, and skills—as well as vacancy rates and overtime.

- **Personnel**
  - Drawing on position data in the Fund's Workday-based HR system, workforce planning dashboards have been rolled out with HRD to support departments in planning, management, and analysis of their workforce. The tools integrate authorized budgets with actual and historical headcount data, allowing for more effective organizational and workforce planning. Departments can view real-time snapshots of their workforce structure, funding status, vacancies, attrition, and utilization rates. Additional updates to enhance data on staffing by grade-band and to support scenario analysis for departments will support expanded HRD-led workforce planning at the Fund-wide and departmental levels.
  - A parallel interface, IBBIS, provides running data on execution of budgets by group (staff; contractuals; discretionary, etc.). Upcoming enhancements will simplify the presentation of personnel execution, better recognizing the complexities related to IMF02-related staff estimation given lags in data availability and other technical complexities. Broader updates to IBBIS dashboards will likewise be undertaken as part of related work.
  - Recognizing the importance of effective collaboration between functional and area departments in supporting work by country teams, new dashboards will be established for area department teams to track resourcing from functional departments in their region, drawing on time-reporting data (similar to existing dashboards on CD-related work).

Ongoing Modernization

4. A structured program for ongoing modernization work incorporates system and process-related elements of the improvements noted above, along with broader initiatives to establish a modern, integrated budget ecosystem, incorporating ongoing review and updates related to processes/procedures; systems; and documentation. Key actions include:

- **Manual/Training.** Budget related policies, procedures, guidelines and technical practices have been reviewed and, where needed, updated to reflect simplification and changing needs. Work is being finalized in the first half of CY26 to provide an online budget manual, pulling these materials together in one place. Training for budget teams has also been updated to reflect these changes, with an online, modular training program expected during FY28.
- **Other key initiatives.** Ongoing modernization work recognizes the still sizable legacy issues with the Fund's budget infrastructure that will require well-sequenced investment over the medium-term. This includes preparation for and participation in the broader cross-departmental update of the Fund's Enterprise Resource Planning Framework (ERP), supported by a strong corporate data governance framework. For OBP, key initiatives will include comprehensive documentation of the budget data plan and ensuring full consistency and integration with related data structures, processes and reporting frameworks across the ERP framework, enhancements and simplification to the time reporting system, with a strong focus on user experience, and streamlining departmental access to budget data from various systems.

Annex VI. Statistical Tables

Annex VI. Table 1. Real Gross Administrative Budget, FY20–27[1]

(Millions of FY26 U.S. dollars)

	Pre-pandemic (FY20)		FY24		FY25		FY26		FY27
	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Proj Outturn	Prop Total Budget
Gross Fund-financed	**1,557**	**1,481**	**1,662**	**1,546**	**1,693**	**1,535**	**1,694**	**1,551**	**1,678**
o/w General Receipts	49	43	47	43	50	42	49	43	49
Total Temporary	60	…	111	…	99	…	94	…	78
Gross Externally Financed	**250**	**206**	**276**	**231**	**292**	**231**	**296**	**249**	**297**
o/w Carryforward	…	…	8	…	8	…	8	…	9
Total Gross Admin Envelope[1]	**1,807**	**1,687**	**1,938**	**1,777**	**1,985**	**1,767**	**1,991**	**1,800**	**1,975**
Personnel	1,309	1,285	1,438	1,381	1,458	1,385	1,473	1,405	1,467
Travel	168	121	162	141	159	130	161	137	166
Buildings and other expenditures	284	281	278	255	288	251	274	258	271
Contingency/Other[2]	45	0	60	0	80	0	83	0	71

Source: OBP. Note: Figures may not add to totals due to rounding. Excludes Overseas Annual Meetings (FY24 and FY27). [1] Includes general receipts. [2] Includes structural contingency reserves, OED/IEO carryforward, and unallocated general carryforward.

Annex VI. Table 2. Real Gross Administrative Expenditures: Travel, FY18-27[1]

(Millions of FY26 U.S. dollars)

	Pre-pandemic (FY18)		FY24		FY25		FY26		FY27
	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Proj Outturn	Total Prop Budget
Expenditures	**168**	**159**	**162**	**141**	**159**	**130**	**161**	**137**	**166**
Business travel	131	121	130	105	108	96	121	104	126
Transportation	...	68	...	62	...	60	...	65	...
Per diem	...	53	...	43	...	37	...	39	...
Charters	...	0	...	0	...	0	...	0	...
Seminars & training	21	24	19	22	37	20	26	21	25
Settlements & other	16	14	13	14	15	14	15	12	15

Source: OBP. [1] Includes Fund- and externally financed structural and temporary resources. Excludes Overseas Annual Meetings (FY24 and FY27).

Annex VI. Table 3. Real Gross Admin. Expenditures: Buildings, IT, and Other Expenses, FY20-27[1]

(Millions of FY26 U.S. dollars)

	Pre-pandemic (FY20)		FY24		FY25		FY26		FY27
	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Proj Outturn	Total Prop Budget
Buildings, IT and Other	**284**	**281**	**278**	**255**	**288**	**251**	**274**	**258**	**271**
Building occupancy	88	86	88	81	89	81	81	85	89
Information technology	90	84	77	75	81	74	74	73	76
Other vendor services	64	54	59	51	66	49	67	52	55
Subscriptions and printing	18	25	27	24	27	24	26	25	26
Communications	10	10	10	8	9	7	8	7	8
Supplies and equipment	5	6	5	4	4	5	4	4	4
Others[2]	10	16	11	12	13	10	13	13	13

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

Annex VI. Table 4. Real Gross Administrative Expenditures: Receipts FY20-27[1]

(Millions of FY26 U.S. dollars)

	Pre-pandemic (FY20)		FY24		FY25		FY26		FY27
Receipts category	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Outturn	Total Budget	Proj Outturn	Total Prop Budget
Receipts	**299**	**249**	**315**	**277**	**334**	**274**	**337**	**293**	**337**
Externally financed	250	206	268	234	284	232	288	249	288
General receipts[2]	49	43	47	43	50	42	49	43	49

Source: OBP. [1] Budget and outturn include Fund-and externally financed structural and temporary resources. [2] Includes Trust Fund Management Fees.

Annex VI. Table 5. Real Net Fund-Financed Admin. Expenditure by Department, FY24-27[1]

(Millions of FY26 U.S. dollars)

	FY24		FY25		FY26		FY27
	Working Budget	Outturn	Working Budget	Outturn	Prelim Working Budget	Proj Outturn	Total Prop Budget
Area	**406**	**399**	**411**	**405**	**411**	**408**	**413**
AFR	123	122	123	121	123	122	123
APD	63	61	65	62	65	64	66
EUR	85	83	86	85	86	85	86
MCD	70	69	71	71	71	72	71
WHD	65	64	66	65	66	65	67
Functional non-CD	**237**	**235**	**238**	**235**	**237**	**235**	**235**
COM	49	47	49	47	49	48	48
FIN	56	56	57	55	57	55	57
RES	47	47	47	47	47	48	47
SPR	84	84	85	86	84	84	83
Functional CD	**370**	**371**	**370**	**367**	**371**	**370**	**369**
FAD	84	84	83	82	84	83	84
ICD	62	62	61	61	61	61	60
LEG	42	42	43	42	43	42	43
MCM	115	115	114	113	114	114	113
STA	68	68	69	69	70	70	69
Support	**380**	**375**	**377**	**372**	**383**	**380**	**374**
CSF	131	131	131	129	132	132	128
HRD	63	63	61	61	62	62	60
ITD	133	132	134	133	138	137	136
OBP	7	7	7	7	8	8	8
OIA	8	7	7	7	7	7	7
ORM	7	6	7	6	6	6	6
SEC	30	28	30	28	29	29	29
Small Offices	**22**	**21**	**23**	**22**	**23**	**22**	**22**
Center/Other[2]	**86**	**...**	**101**	**...**	**95**	**...**	**89**
General Total	**1,501**	**1,419**	**1,521**	**1,400**	**1,520**	**1,410**	**1,502**
OED/IEO	114	92	122	93	125	97	128
Annual Meetings[3]	**8**	**...**	**...**	**...**	**...**	**...**	**8**
Total	**1,623**	**1,511**	**1,643**	**1,493**	**1,645**	**1,508**	**1,637**

Source: OBP. [1] Working budgets incl in-year adjustments. Departmental spending based on standard costs. Reflecting TRM related shifts to HRD, ICD, ITD, and STA. [2] Budget includes structural contingency, central HR programs, general carryforward for future years, and reconciliation of diff btw real/standard cost. [3] Overseas annual meetings travel budget: $5.3 million for Fund general budget and $2.2 million for OED.

Annex VI. Table 6. Fund-Financed FTEs by Department/Office, FY24-27[1]

	FY24		FY25		FY26		FY27
	Working Budget	Outturn	Working Budget	Outturn	Prelim Working Budget	Proj Outturn	Total Prop Budget
Area	**865**	**860**	**874**	**883**	**875**	**878**	**879**
AFR	253	254	253	253	253	250	255
APD	131	130	134	131	136	135	136
EUR	186	181	188	193	188	190	187
MCD	147	146	148	153	149	150	149
WHD	149	149	151	153	150	153	153
Functional non-CD	**592**	**604**	**602**	**611**	**600**	**614**	**595**
COM	97	96	99	97	98	98	95
FIN	154	159	156	153	157	152	157
RES	122	125	125	128	125	134	125
SPR	220	224	222	233	220	230	219
Functional CD	**816**	**812**	**830**	**833**	**827**	**841**	**821**
FAD	189	180	191	183	189	196	187
ICD	142	144	142	146	140	140	139
LEG	100	100	103	103	105	104	104
MCM	249	246	257	257	256	264	256
STA	136	142	137	143	137	137	136
Support	**594**	**577**	**599**	**578**	**617**	**600**	**609**
CSF	168	166	168	164	170	166	168
HRD	135	128	137	128	137	134	136
ITD	160	160	163	163	180	176	175
OBP	20	20	20	20	21	21	20
OIA	19	17	19	17	17	17	18
ORM	19	17	19	17	18	15	17
SEC	73	69	73	70	74	72	75
Small Offices	**60**	**51**	**62**	**57**	**64**	**56**	**64**
Center/Other	**3**	**14**	**2**	**17**	**1**	**12**	**0**
General Total	**2930**	**2918**	**2969**	**2978**	**2983**	**3000**	**2968**
OED/IEO	255	265	295	277	296	288	296
Total	**3,186**	**3,183**	**3,264**	**3,255**	**3,279**	**3,289**	**3,264**
Externally Financed	**113**	**131**	**126**	**139**	**126**	**144**	**124**
Grand Total	**3,299**	**3,314**	**3,390**	**3,394**	**3,405**	**3,433**	**3,388**

Source: OBP. [1]Working Budgets incl. in-year adjustments. Outturn/projection reflect hiring relative to budgeted Fund-financed FTEs plus any shortfall in chargebacks to cover budgeted externally funded FTEs. Reflecting TRM related shifts to HRD, ICD, ITD, and STA.

Annex VI. Table 7. Budgeted Externally Financed Positions
(FTEs, FY20-27)

	Pre-pandemic (FY20)	FY24	FY25	FY26	FY27 Prop Budget
Area	**2**	**3**	**3**	**4**	**4**
AFR	1	1	1	1	1
APD	2	1	1	1	2
EUR	0	0	0	0	0
MCD	0	0	0	1	0
WHD	0	1	1	1	1
Functional non-CD	**3**	**3**	**3**	**3**	**3**
FIN	1	1	1	1	1
SPR	1	2	2	2	2
RES	1	0	0	0	0
Functional CD	**86**	**102**	**119**	**118**	**116**
FAD	24	30	31	33	33
ICD	23	29	35	35	32
LEG	9	13	14	15	15
MCM	15	16	18	17	18
STA	15	15	21	18	18
Support	**0**	**1**	**1**	**1**	**1**
HRD	0	1	1	1	1
HRP	0	1	0	0	0
TRM	...	...	...	...	...
Total	**91**	**109**	**126**	**126**	**124**

Source: OBP

Annex VI. Table 8. Real Gross Administrative Spending by Output FY25-27[1]

(Millions of FY26 U.S. dollars, unless indicated otherwise)

	FY25		FY26		FY27	Percent of Total FY25		Percent of Total FY26		Percent of Total FY27
	Total Budget	Outturn	Total Budget	Proj Outturn	Total Prop Budget	Total Budget	Outturn	Total Budget	Outturn	Total Budget
Direct Country Support	**882**	**803**	**909**	**826**	**920**	**44.4**	**45.5**	**45.6**	**45.9**	**46.6**
Bilateral Surv and Lending	524	504	533	509	542	26.4	28.5	26.8	28.3	27.4
Of which:										
Article IV Consultations	...	206	...	224	...	...	11.7	...	12.5	...
FSAPs/OFCs	...	27	...	26	...	...	1.5	...	1.4	...
Prog and Facilities - GRA	...	102	...	89	...	...	5.8	...	5.0	...
Prog and Facilities - PRGT	...	85	...	80	...	...	4.8	...	4.4	...
CD Direct Delivery	358	300	376	317	378	18.1	17.0	18.9	17.6	19.1
Fund Financed	107	93	101	92	102	5.4	5.3	5.1	5.1	5.1
Externally Financed	251	207	275	224	276	12.7	11.7	13.8	12.5	14.0
Policies and Analytical Work	**166**	**177**	**147**	**169**	**144**	**8.3**	**10.0**	**7.4**	**9.4**	**7.3**
Fund Policies	...	81	...	74	...	...	4.6	...	4.1	...
Analytical Work	...	96	...	95	...	...	5.4	...	5.3	...
Multi Surv - Global Coop/Stds	**186**	**198**	**184**	**201**	**178**	**9.4**	**11.2**	**9.2**	**11.2**	**9.0**
Multilateral Surveillance	...	99	...	104	...	...	5.6	...	5.8	...
Of which:										
WEO	...	17	...	15	...	...	1.0	...	0.8	...
GFSR	...	13	...	14	...	...	0.7	...	0.8	...
Fiscal Monitor	...	6	...	6	...	...	0.3	...	0.3	...
REOs	...	20	...	21	...	...	1.1	...	1.2	...
Global Cooperation/Standards	...	99	...	97	...	...	5.6	...	5.4	...
Fund Gov and Finances	**221**	**177**	**227**	**183**	**219**	**11.1**	**10.0**	**11.4**	**10.2**	**11.1**
Corporate Functions	**394**	**383**	**387**	**391**	**386**	**19.8**	**21.7**	**19.4**	**21.7**	**19.5**
Total	**1,849**	**1,737**	**1,854**	**1,771**	**1,846**	**93.1**	**98.3**	**93.1**	**98.4**	**93.5**
Central Resources	**137**	**29**	**137**	**29**	**129**	**...**	**...**	**...**	**...**	**...**
Grand Total	**1,985**	**1,767**	**1,991**	**1,800**	**1,975**	**...**	**...**	**...**	**...**	**...**

Sources: TRACES, TIMS, IBBIS, and staff estimates. [1]Excludes travel to the FY27 Annual Meetings in Bangkok, Thailand.

Annex VI. Table 9. Nominal Capital Budget and Expenditures, FY20-27
(Millions of U.S. dollars)

	Formula Key	Facilities	Information Technology	IT Cloud Capital Equiv	HQ2 Asset L/C Replace	HQ1 Renewal	Total Capital
FY 22							
New appropriations	(46)	24	46	10	...	0	79
Total funds available	(47)= (funds balance)+(46)	83	79	10	...	15	186
Expenditures	(48)	22	60	9	...	-1 [3]	90
Lapsed funds	(49)	8	0	0	...	0	8
Remaining funds	(50) = (47)-(48)-(49)	54	18	0	...	16	87
FY 23							
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
FY 24							
New appropriations	(56)	47	41	20	...	0	108
Total funds available	(57)= (55)+(56)	75	58	20	...	0	153
Expenditures	(58)	49	42	19	...	0	110
Lapsed funds	(59)	0	0	1	...	0	1
Remaining funds	(60) = (57)-(58)-(59)	25	17	0	...	0	42
FY 25							
New appropriations	(61)	51	45	23	3	0	122
Total funds available	(62)= (60)+(61)	76	62	23	3	0	164
Expenditures	(63)	62	44	22	0	0	127
Lapsed funds	(64)	0	1	1	0	0	2
Remaining funds	(65) = (62)-(63)-(64)	14	17	0	3	0	34
FY 26							
New appropriations	(67)	61	45	26	0	0	133
Total funds available	(68)= (66)+(67)	75	62	26	4	0	167
Expenditures	(69)	55	51	25	1	0	131
Lapsed funds[1]	(70)	0	0	1	0	0	1
Remaining funds[2]	(71) = (68)-(69)-(70)	21	12	0	3	0	35
FY 27							
New appropriations	(72)	45	45	27	12	0	129
Total funds available	(32)= (71)+(72)	65	57	27	15	0	164

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