# GETTING TO GROWTH IN AN AGE OF UNCERTAINTY

IMF ANNUAL REPORT **2025**

# THE WORLD IS FACING **EXCEPTIONAL** UNCERTAINTY


Ethiopia


THE GLOBAL TRADING SYSTEM IS BEING RESHAPED.

MAJOR TRANSITIONS ARE MAKING THE **ECONOMIC ENVIRONMENT MORE CHALLENGING.**

## THESE DEVELOPMENTS COME ON TOP OF THE UNCERTAINTY CAUSED BY ONGOING CONFLICTS AND MAJOR TRANSITIONS THAT MAKE THE ECONOMIC ENVIRONMENT MORE CHALLENGING AND UNPREDICTABLE.

Technological shifts and the artificial intelligence revolution are generating significant adjustment even as they promise new opportunities. Natural disasters and more frequent extreme weather continue to impose severe macroeconomic costs on many countries.

The trade tensions and associated tariffs are exacerbating the low-growth/high-debt outlook. The IMF lowered its near-term growth forecasts in April to 2.8 percent this year and 3 percent for 2026, and five-year growth forecasts remain at their lowest in decades.

Global inflation is falling but at a slower and less synchronous pace than previously. This is leading to more policy divergence between central banks, with knock-on effects on asset prices and exchange rates.

Low-income countries have been hit particularly hard by the current external environment. After demonstrating resilience through a series of shocks—including the COVID-19 pandemic and spillovers from Russia's war in Ukraine—they are implementing difficult and much-needed reforms to restore macroeconomic stability. Nevertheless, under current conditions, these countries risk being knocked off the path toward income convergence and poverty reduction.

Against this backdrop, the foremost economic challenge facing our members is growth—or rather, the lack of it. Achieving stronger growth will require countries to double down on domestic efforts to strengthen economic and financial stability, and improve their own growth potential. In the context of greater global uncertainty, the work starts at home.

Transformational reforms to lift productivity and boost growth are imperative: less red tape, increased competition, more entrepreneurship, a simpler and more coherent tax system, better digital structures, higher levels of economic participation, and deeper capital markets.

Policy efforts are needed to restore fiscal sustainability and build sufficient buffers to manage future shocks, which could be sizable and recurrent. This can be done gradually but should start now, so as to leave room for priority spending. The longer countries wait, the sharper the adjustment could be.

While working on the home front, countries should also collaborate internationally to promote a stable and predictable trade environment, facilitate debt restructuring, and address shared challenges. Intensification of trade tensions could further reduce near- and long-term growth while divergent and rapidly shifting policy stances or deteriorating sentiment could trigger drops in asset prices, exacerbating risks to financial stability.

## IN SHORT, THE CURRENT ENVIRONMENT DEMANDS CLARITY, COMMITMENT, AND COORDINATION.

The IMF is developing and tailoring its advice to help members meet these exceptional challenges. To this end, it has sought fresh perspectives with the creation of a new Advisory Council on Entrepreneurship and Growth.

The IMF will stay focused on its mandate of promoting macroeconomic and financial stability, further deepening its work in assessing spillovers from trade and industrial policy measures, and analyzing external imbalances.

As the global landscape evolves, the IMF remains flexible and responsible to the membership's changing needs, adapting as necessary to developments in the world economy and policy priorities. This is illustrated by a number of decisions, including the maintenance of higher-level access limits; the reforms to a key loan vehicle for low-income countries—the Poverty Reduction and Growth Trust; and the update to the Charges and Surcharge Policy—all highlighted by the Managing Director in her letter.

The IMF is also dedicated to ensuring its recommendations are made with an eye to protecting the most vulnerable. Its policy advice encourages job creation, enhances social safety nets, tackles corruption, and contributes to equitable access to resources. Its capacity development strengthens institutional frameworks and equips policymakers with the skills to design and implement effective economic policies.

Eighty years on from its founding, the Fund continues to wield its unique convening power to promote multilateral cooperation in addressing global challenges. It facilitates dialogue among member countries to promote collaboration on a broad range of cross-border issues.

Times and circumstances change, but the IMF's commitment to fostering global monetary cooperation, ensuring financial stability, and promoting sustainable economic growth endures.

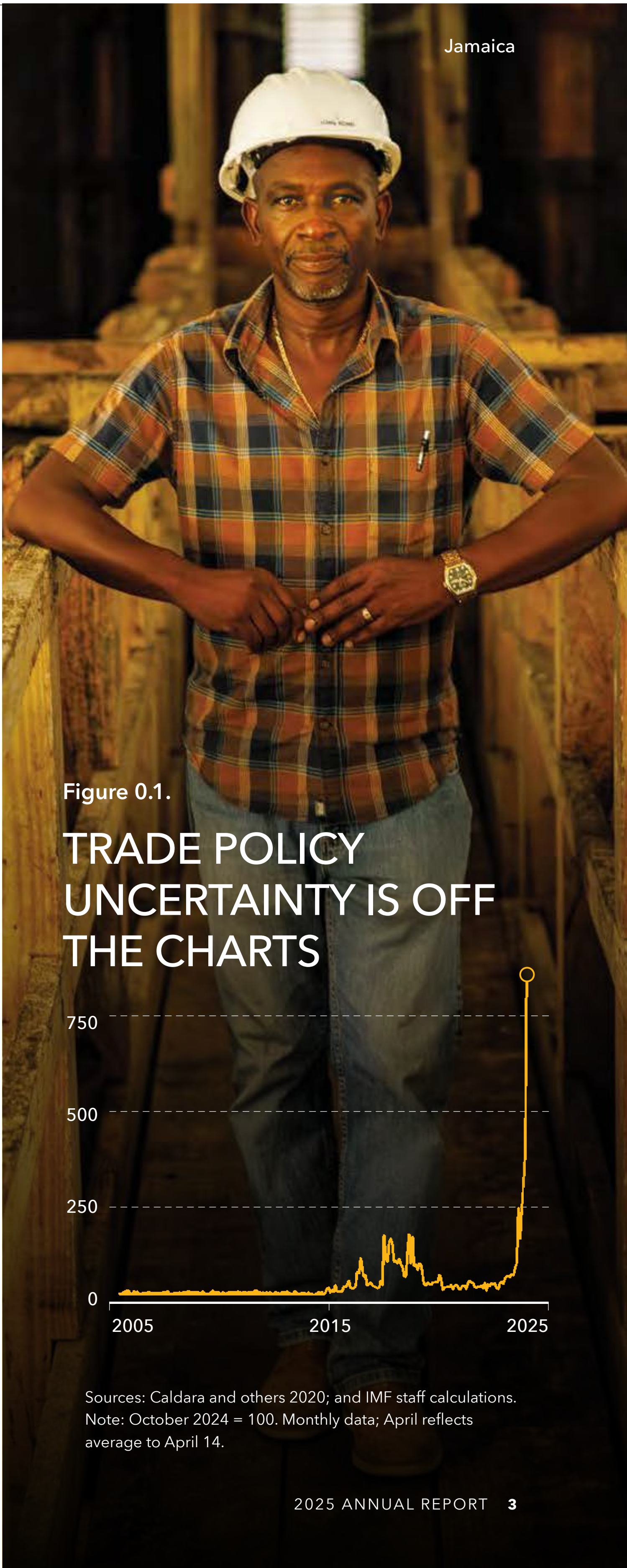


**Figure 0.1.**

## TRADE POLICY UNCERTAINTY IS OFF THE CHARTS

Sources: Caldara and others 2020; and IMF staff calculations.
Note: October 2024 = 100. Monthly data; April reflects average to April 14.

Message from the
# Managing Director

Dear Reader,

The global economy of the last 12 months has been defined by change. Huge transformations including digitalization, artificial intelligence, and demographic transitions are underway. On top of this, major policy shifts are reshaping global trade and capital flows.

While the global economy has been resilient in the face of successive shocks over recent years, the outlook remains tepid. The five-year-ahead global growth forecast stands at around 3 percent, well below the post-war expansion average of 3.7 percent. We continue to confront a low growth/high debt outlook.

Against this background, the IMF's members face significant challenges. Among them are the need to preserve macroeconomic and financial stability, ensure debt sustainability, address imbalances that exist between countries, and lift growth prospects.

The path to achieving these goals requires urgent and substantial policy measures. This starts at home and countries can do much to get their own house in order. They can boost productivity and strengthen domestic growth; restore fiscal buffers to provide space for much-needed investment and in preparation for future shocks; and enhance financial stability and build resilience.

Looking beyond their own borders, countries should pursue cooperative solutions to shared economic challenges.

In the context of an evolving economic landscape, the Fund will continue to support its members. It will adapt as necessary to help countries navigate these challenging times and address imbalances.

The Fund provides this support from a position of strength. Not only does it maintain a robust balance sheet, but it has also exceeded its target for precautionary reserves, which act as a financial buffer for the institution.

Over the past year, our Executive Board has taken important decisions to ensure that the IMF remains a strong, responsive partner. These include maintaining elevated access limits to provide adequate financial support to countries facing persistent shocks—a measure first introduced during the pandemic.

As part of our determination to exercise fiscal responsibility, we have advanced critical reforms to the Poverty Reduction and Growth Trust to bolster our capacity to support the most vulnerable countries while ensuring the Trust's self-sustainability.

We have also updated our Charges and Surcharge Policy. This change will reduce borrowing costs for our members by an estimated $1.2 billion annually while at the same time maintaining the IMF's capacity to further strengthen its own financial buffers. These steps reflect our commitment to serve all our members—with flexibility, responsibility, and fairness.

Times change, but we remain focused on our core mission: to help establish the conditions for macroeconomic strength and stability including through the promotion of durable growth, while achieving price and financial stability.

The state of change increases the challenge of good policymaking, but in challenge there is opportunity. We should seize this moment. With the right policy choices, a better balanced, more sustainable and prosperous world is within reach.

**KRISTALINA GEORGIEVA**
Managing Director

# WHAT WE DO

**The IMF works to help its members attain or sustain macroeconomic stability and fosters sustainable growth and prosperity for all its 191 member countries through the following:**

## ECONOMIC SURVEILLANCE

### 133 country health checks

Through surveillance, the IMF monitors the international monetary system, as well as the economic and financial policies of its member countries. As part of this work, carried out at both the country and global levels, the IMF highlights possible risks to stability and advises regarding policy adjustments. Country surveillance includes regular (usually annual) consultations with individual member countries, known as Article IV consultations. Under the Financial Sector Assessment Program (FSAP), the IMF also conducts regular in-depth analysis of systemically important financial sectors.

Thailand

## LENDING

### A total of $63 billion to 20 countries, including about $9 billion to 13 low-income countries

The IMF provides financing to member countries experiencing actual, potential, or prospective balance of payments needs to help them rebuild their international reserves and solve their balance of payments problems, while fostering strong economic growth. Although most financing is in support of a program, the IMF also provides fast-disbursing emergency financing with limited conditionality—such financing was provided at unprecedented levels following the onset of the COVID-19 pandemic.

## CAPACITY DEVELOPMENT

### $382 million for hands-on technical advice, policy-oriented training, and peer learning

The IMF works with countries to strengthen their economic institutions by providing technical assistance and training on critical economic and financial sector issues. This work helps countries implement more effective economic and financial sector policies and tackle complex challenges. The IMF shares its knowledge—and that of its members—with government institutions such as finance ministries, central banks, statistical agencies, financial supervisory agencies, and revenue administrations through hands-on advice, training, and peer-to-peer learning. IMF capacity development (CD) is delivered in person and remotely by IMF staff members, long-term in-country resident advisors, advisors at one of the 17 regional CD centers, and short-term experts, as well as through classroom training, hands-on workshops and seminars, and free online courses.

***What We Do*** continues on page 24 »

# WHO WE ARE

The IMF has a management team and 18 departments that carry out its country, policy, analytical, and technical work. A list of the institution's senior officials can be found on page 67, and its organizational chart can be found on the IMF webpage Senior Officials of the International Monetary Fund.

*Who We Are* continues on page 60 »


United States


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# FOSTERING GROWTH IN AN AGE OF TRANSITION

## INSIDE

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United States

# IN FOCUS

COUNTRIES MUST **ENCOURAGE** INNOVATION, **INVEST** IN INFRASTRUCTURE, AND **STREAMLINE** REGULATORY ENVIRONMENTS.

United States

# PURSUING DURABLE GROWTH IN AN UNCERTAIN WORLD

The global economy is at a crossroads. Despite the world economy's considerable resilience over the past five years, trade tensions have soared since the publication of the previous *Annual Report*, and policy uncertainty has increased. Against this backdrop, achieving sustained growth has become more challenging.

Trade and capital flows are being rewired, and significant policy shifts are underway in major economies. Authorities are contending with tightening financial conditions and higher market volatility, and policy buffers have been depleted by the shocks of recent years.

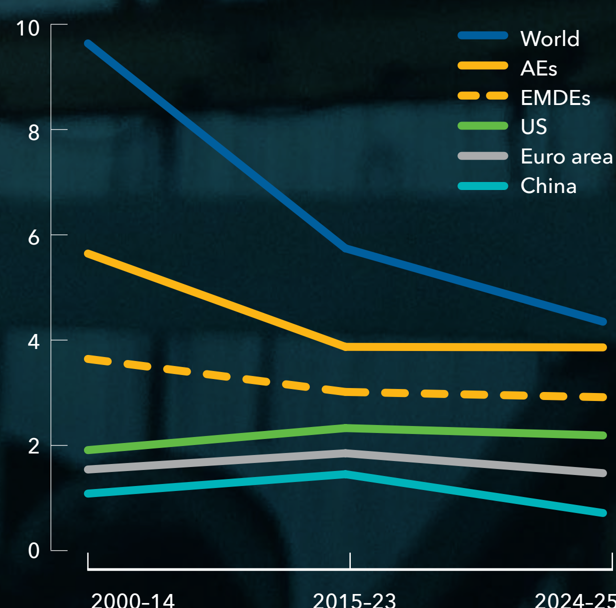
Policymakers must rapidly confront three key priorities. First, they need to resolve trade tensions and address underlying imbalances. A rules-based and level playing field is imperative, avoiding distortive policies designed to secure a competitive advantage and measures that impede the flow of trade.

The second priority is to act together to safeguard economic and financial stability. Countries can best achieve this by getting

**Figure 1.1.**

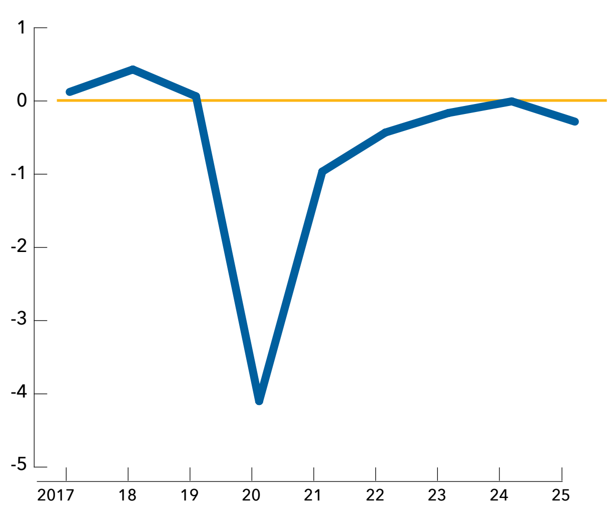
**Growth performance and forecasts**

*(Percent)*




Source: IMF staff calculations.
Note: AEs = advanced economies; EMDEs = emerging market and developing economies.

**Figure 1.2.**
## Global output gap
*(Percent)*




Source: IMF staff calculations.

their own house in order through credible and realistic adjustment plans. This will require medium-term fiscal consolidation and frameworks to reduce debt and rebuild fiscal buffers. Targeted fiscal reforms will also be necessary, through expenditure reprioritization in advanced economies and revenue mobilization in emerging market and developing economies, or a mix of both, depending on country-specific circumstances.

Simultaneously, authorities may need to implement timely, targeted, and temporary support to mitigate the impact of reforms and protect the most vulnerable.

The current environment also demands agile policies to mitigate shocks, with central banks remaining acutely focused on delivering low and stable inflation.

The pursuit of growth will also require international cooperation, particularly to resolve global imbalances.


Uzbekistan


Russia

Internal balances between savings and investment are fundamental, and can tilt too far one way or another. They can drive external current account balances and by extension, capital flows. Rebalancing can enhance stability not only internally, but also externally, and globally. All countries can pursue policies for better internal and external balance, supporting collective resilience and well-being.

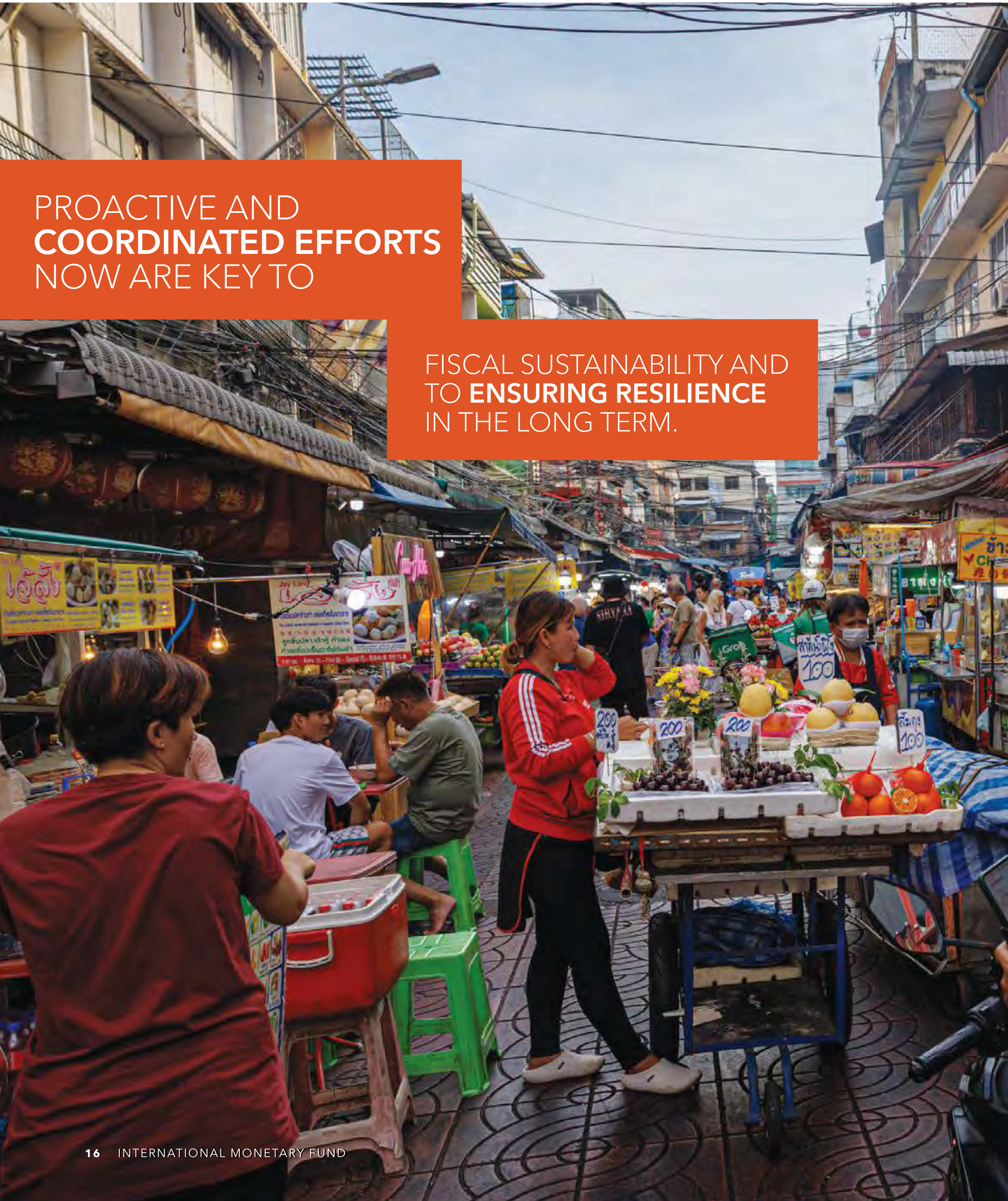
The third priority is to double down on growth-oriented reforms to lift productivity and potential output. Countries must prioritize domestic policy and structural reforms in labor, product, and financial markets (while maintaining regulatory rigor).

To that end, countries must encourage innovation, invest in infrastructure, and streamline regulatory environments. Policies that promote entrepreneurship and competition will be essential for driving productivity and job creation, while tackling corruption will be essential to level the playing field and avoid distortive policies.

In addition, technological progress, including that related to digitalization and artificial intelligence can further enhance productivity and potential growth.

Although global growth faces significant obstacles, the future is not predetermined. Through deliberate and well-calibrated policies, countries can harness transformative forces and mitigate risks.

Despite the current challenging conditions, the IMF will continue to serve as a trusted advisor to policymakers, a reliable lender of last resort during crises to resolve balance of payments problems, a champion of strong policy frameworks, and a convener to confront common economic challenges. As we continuously adapt to changing conditions, we will remain engaged with our members to meet their needs over the medium and long term.




PROACTIVE AND **COORDINATED EFFORTS** NOW ARE KEY TO

FISCAL SUSTAINABILITY AND TO **ENSURING RESILIENCE** IN THE LONG TERM.

Thailand

# RISING DEBT LEVELS AND FISCAL ADJUSTMENTS

Global public debt is high, and rising. It exceeded $100 trillion in 2024 and is expected to approach 100 percent of global GDP by decade's end. The final figure may well be even higher because of large spending pressures and a chronic underestimation of debt projections.

The global fiscal situation deteriorated in 2024, but with significant differences across countries. The global fiscal deficit reached an average of 5.1 percent of GDP, whereas public debt rose by 1 percentage point to 92.3 percent of GDP. This reflects the continuing legacies of high spending from the COVID-19 pandemic and rising net interest expenses.

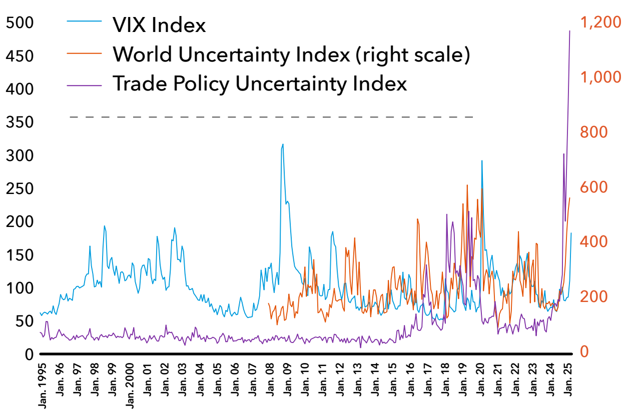
Debt servicing costs are currently squeezing the space available to finance much-needed investment or critical spending for development, while a shortfall in foreign aid poses an additional risk for low-income countries.

Although about two-thirds of countries anticipate stabilizing or reducing their debt by 2029, levels will remain elevated compared with prepandemic figures.

Currently, expansive fiscal policies are contributing to increased term premiums on government bonds—raising borrowing costs and dampening economic activity. Left unaddressed, these pressures could lead to solvency problems for many vulnerable countries. Already, 53 percent of low-income developing countries and 23 percent of emerging market economies are at high risk of debt distress or are already in debt distress.

Moreover, the significant uncertainty discussed in *Pursuing Durable Growth in an Uncertain World*, on page 12 is impacting fiscal outlooks as well as growth. Recent analysis suggests that

### Figure 1.3.
## Geopolitical risk, trade policy, and world uncertainty indices

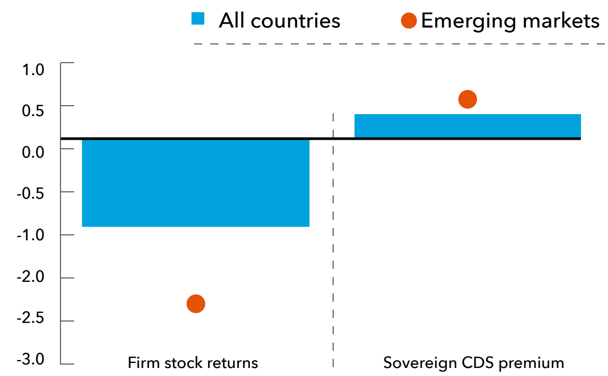



Sources: Fiscal Policy Uncertainty Index: Hong, Nguyen, and Ke 2024; Geopolitical Risk Index: Caldara and Iacoviello 2022; Trade Policy Uncertainty Index: Caldara and others 2020; and World Uncertainty Index: Ahir, Bloom, and Furceri 2022.

Note: A higher number means higher uncertainty and vice versa. The left scale presents the index relative to 2008 (where index = 100 in 2008), meaning a value of 200 represents uncertainty that is twice as high as in 2008. The right scale standardizes the index with a mean of 100 and a standard deviation of 1, meaning that an increase of 1 unity corresponds to a one-standard-deviation increase.

### Figure 1.4.
## Response to the occurrence of a domestic geopolitical risk event

*(Percentage points, monthly)*




Sources: Bloomberg Finance L.P.; Caldara and Iacoviello 2022; IMF World Economic Outlook database; LSEG Datastream; and IMF staff calculations.

Note: CDS = credit default swap.

increased geoeconomic uncertainty is linked to a rise in public debt of about 4.5 percent of GDP in the medium term. This is largely a result of widening fiscal deficits, with rising expenditure and falling revenues.

A strategic pivot in fiscal policy is urgently needed, focused on growth-oriented fiscal adjustments, adherence to stricter spending rules, and reform of key expenditure programs such as pensions and energy subsidies, which are a significant part of national budgets.

Countries with unsustainable public debt need to be proactive in restoring sustainability, including in some cases by making the difficult decision to seek debt restructuring. To that end, the Global Sovereign Debt Roundtable, which the IMF cochairs, published the *Restructuring Playbook* to help country authorities with key steps, concepts, and processes when considering debt restructuring.

Most countries can adopt a policy of gradual fiscal adjustment to address rising global public debt and mitigate associated risks. This would also have the benefit of producing the needed fiscal buffers to navigate prevailing global uncertainties.

Countries with limited room for fiscal maneuvers must reprioritize public spending. Those with more space can choose to expand in line with their medium-term goals. Advanced economies with aging populations should promote entitlement reforms and broaden tax bases. Emerging market and developing economies can mobilize revenue by reforming tax systems, phasing out energy subsidies, and rationalizing public spending.

The need for swift, but gradual, fiscal action is imperative. Delaying adjustments means more substantial and possibly more disruptive measures in the future. Proactive and coordinated efforts now are key to fiscal sustainability and to ensuring resilience in the long term.

## Table1.1. General government fiscal balance, 2019–30: overall balance

*(Percentage of GDP, unless noted otherwise)*

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| World | -3.5 | -9.5 | -6.3 | -3.7 | -4.9 | -5.0 | -5.1 | -4.7 | -4.5 | -4.5 | -4.5 | -4.6 |
| **Advanced Economies** | -3.0 | -10.3 | -7.2 | -3.7 | -4.6 | -4.7 | -4.3 | -3.9 | -3.8 | -3.9 | -3.9 | -4.0 |
| **Advanced Economies excl. US** | -1.0 | -7.6 | -4.3 | -3.7 | -2.5 | -2.6 | -2.5 | -2.5 | -2.4 | -2.5 | -2.6 | -2.6 |
| Canada | 0.0 | -10.9 | -3.1 | -3.7 | 0.1 | -2.1 | -1.9 | -1.6 | -1.4 | -1.2 | -1.0 | -0.8 |
| Euro Area | -0.5 | -7.0 | -5.1 | -3.7 | -3.6 | -3.1 | -3.2 | -3.4 | -3.5 | -3.5 | -3.6 | -3.7 |
| France | -2.4 | -8.9 | -6.6 | -3.7 | -5.4 | -5.8 | -5.5 | -5.9 | -6.1 | -6.1 | -6.0 | -6.1 |
| Germany | 1.3 | -4.4 | -3.2 | -3.7 | -2.5 | -2.8 | -3.0 | -3.5 | -3.9 | -4.1 | -4.3 | -4.4 |
| Italy | -1.5 | -9.4 | -8.9 | -3.7 | -7.2 | -3.4 | -3.3 | -2.8 | -2.6 | -2.4 | -2.5 | -2.5 |
| Spain[1] | -3.0 | -10.0 | -6.7 | -3.7 | -3.5 | -3.2 | -2.7 | -2.4 | -2.3 | -2.2 | -2.1 | -2.0 |
| Japan | -3.0 | -9.1 | -6.1 | -3.7 | -2.3 | -2.5 | -2.9 | -3.1 | -3.3 | -4.0 | -4.6 | -5.3 |
| United Kingdom | -2.5 | -13.2 | -7.7 | -3.7 | -6.1 | -5.7 | -4.4 | -3.7 | -3.1 | -2.8 | -2.6 | -2.3 |
| United States | -5.8 | -14.1 | -11.4 | -3.7 | -7.2 | -7.3 | -6.5 | -5.5 | -5.4 | -5.6 | -5.5 | -5.6 |
| Other Advanced Economies | -0.1 | -4.7 | -1.1 | -3.7 | -0.2 | -0.5 | -0.6 | -0.3 | -0.1 | -0.1 | -0.2 | -0.2 |
| **Emerging Market and Developing Economies** | -4.4 | -8.4 | -5.0 | -3.7 | -5.2 | -5.5 | -6.1 | -5.9 | -5.5 | -5.4 | -5.3 | -5.3 |
| **Emerging Market and Middle-Income Economies** | -4.4 | -8.6 | -5.0 | -3.7 | -5.3 | -5.6 | -6.3 | -6.1 | -5.6 | -5.5 | -5.4 | -5.4 |
| **Emerging Markets excl. China** | -3.1 | -7.8 | -4.2 | -3.7 | -4.2 | -4.3 | -4.5 | -4.2 | -3.8 | -3.5 | -3.4 | -3.3 |
| Excluding MENA Oil Producers | -4.6 | -8.7 | -5.3 | -3.7 | -5.8 | -6.0 | -6.5 | -6.3 | -5.9 | -5.8 | -5.7 | -5.7 |
| Asia | -5.6 | -9.4 | -6.3 | -3.7 | -6.4 | -6.7 | -7.6 | -7.6 | -7.2 | -7.2 | -7.1 | -7.1 |
| China[2] | -6.0 | -9.6 | -5.9 | -3.7 | -6.7 | -7.3 | -8.6 | -8.5 | -8.1 | -8.1 | -8.0 | -8.1 |
| India | -7.7 | -12.9 | -9.4 | -3.7 | -7.9 | -7.4 | -6.9 | -7.2 | -7.1 | -7.0 | -6.8 | -6.7 |
| Vietnam | -0.4 | -2.9 | -1.4 | -3.7 | -2.4 | -1.6 | -3.4 | -3.2 | -3.0 | -2.9 | -2.9 | -2.9 |
| Europe | -0.6 | -5.4 | -1.7 | -3.7 | -4.2 | -4.4 | -4.0 | -3.4 | -3.0 | -2.8 | -2.7 | -2.7 |
| Russia | 1.9 | -4.0 | 0.8 | -3.7 | -2.5 | -2.2 | -1.0 | -1.2 | -1.1 | -1.1 | -1.2 | -1.3 |
| Latin America | -3.7 | -8.2 | -3.9 | -3.7 | -5.2 | -4.8 | -4.8 | -4.0 | -3.4 | -3.1 | -2.9 | -2.9 |
| Brazil | -4.9 | -11.6 | -2.6 | -3.7 | -7.7 | -6.6 | -8.5 | -7.7 | -6.3 | -5.2 | -4.9 | -4.7 |
| Mexico | -2.3 | -4.3 | -3.7 | -3.7 | -4.3 | -5.7 | -4.0 | -3.3 | -2.9 | -2.9 | -2.9 | -2.9 |
| MENA | -2.3 | -8.2 | -1.9 | -3.7 | 0.1 | -1.6 | -3.4 | -3.2 | -2.4 | -1.8 | -1.5 | -1.2 |
| Saudi Arabia | -4.2 | -10.7 | -2.2 | -3.7 | -2.0 | -2.8 | -4.9 | -4.9 | -4.0 | -3.7 | -3.3 | -3.1 |
| South Africa | -5.1 | -9.6 | -5.5 | -3.7 | -5.4 | -6.1 | -6.6 | -6.1 | -5.9 | -5.8 | -5.7 | -5.6 |
| **Low-Income Developing Countries** | -4.1 | -5.4 | -4.6 | -3.7 | -3.9 | -3.4 | -3.5 | -3.3 | -3.1 | -3.1 | -3.2 | -3.2 |
| Kenya | -7.4 | -8.1 | -7.2 | -3.7 | -5.7 | -5.5 | -5.4 | -5.0 | -4.4 | -3.9 | -3.6 | -3.6 |
| Nigeria | -4.7 | -5.6 | -5.5 | -3.7 | -4.2 | -3.4 | -4.5 | -4.5 | -3.9 | -4.3 | -4.7 | -4.7 |
| **Oil Producers** | -0.1 | -7.3 | -0.6 | -3.7 | 0.5 | -0.9 | -1.2 | -1.3 | -1.0 | -0.8 | -0.6 | -0.5 |
| | | | | | | | | | | | | |
| **Memorandum** | | | | | | | | | | | | |
| World Output (percent) | 2.9 | -2.7 | 6.6 | 3.6 | 3.5 | 3.3 | 2.8 | 3.0 | 3.2 | 3.2 | 3.2 | 3.1 |

Source: IMF staff calculations and projections.

Note: The calculations and projections are based on statistical information available through April 14, 2025, but may not reflect the latest published data in all cases. For the date of the latest data update for each economy, please refer to the notes provided in the online World Economic Outlook database.

All country averages are weighted by nominal GDP converted to US dollars (adjusted by purchasing power parity only for world output) at average market exchange rates in the years indicated and based on data availability. Projections are based on IMF staff assessments of current policies. For country-specific details, see "Data and Conventions" and Tables A, B, C, and D in the Methodological and Statistical Appendix. excl. = excluding; MENA = Middle East and North Africa.

[1] Including financial sector support.

[2] China's deficit and public debt numbers presented in this table cover a narrower perimeter of the general government than the IMF staff estimates in China Article IV reports (see IMF 2024 for a reconciliation of the two estimates).


China

THE **STABILITY OF THE FINANCIAL SYSTEM** RELIES ON WELL-CAPITALIZED BANKS, ESPECIALLY GIVEN **INCREASING INTERCONNECTION.**

# RISING FINANCIAL STABILITY RISKS

Global financial stability risks have grown significantly over the period of this *Annual Report,* largely because of tightening global financial conditions and heightened trade policy uncertainty.

IMF research has identified a number of key vulnerabilities in the financial system: the increasing concentration of capital markets and the possible overvaluation of assets, highly leveraged financial institutions and their nexus with banking systems; the risks of market turmoil and challenges to debt sustainability for highly indebted sovereigns.

The United States makes up nearly 55 percent of the global equity market, up from 30 percent two decades ago. Despite the recent market volatility, valuations of some assets remain stretched.

Vietnam

If economic conditions worsen—especially amid persistent policy uncertainty and disappointing macroeconomic data—these valuations could undergo further sharp and sudden corrections.

Financial institutions—some highly leveraged—could be strained by volatile markets. Over recent years, hedge fund and asset management sectors have grown and have become increasingly leveraged. In addition, these institutions have become more enmeshed with the banking sector from which they borrow. This raises the possibility that weakly managed nonbank financial intermediaries could be pushed into a sell-off, potentially triggering wider market volatility, with implications for the broader financial system.

Further turbulence could also have the effect of raising sovereign risk premiums. This is a particular threat for countries where government debt levels are high, with limited fiscal space or foreign reserves. Strained sovereign debt levels could create cross-border shocks through trade and financial linkages.

The risk posed by sovereign debt is exacerbated by the interconnectedness of public sector finances and domestic banking systems; that is, the sovereign-bank nexus. This nexus poses significant macro-financial risks, particularly in emerging markets where currencies and equities have already weakened as a result of dimming growth prospects and in low-income countries that are contending with the highest real borrowing costs in over a decade. These latter countries could also be hit hard because they would face greater difficulties refinancing debt and funding spending.

Authorities will need to implement proactive


Kenya


Kazakhstan

measures to reduce vulnerabilities and prepare for shocks. Such measures include ensuring market infrastructure resilience, supervising financial institutions prudently, and deploying emergency liquidity and crisis resolution tools. The aim should be to reduce vulnerabilities and enhance crisis preparedness.

Authorities must ensure that financial institutions can access central bank liquidity and stand ready to intervene in times of severe market stress, especially in core funding markets. Extending liquidity to nonbank financial institutions, with proper safeguards, may be necessary.

To manage geopolitical risks, financial institutions and regulators must employ scenario analysis and stress testing. Emerging market and developing economies should strengthen financial markets and maintain fiscal buffers and reserves.

The stability of the financial system relies heavily on well-capitalized and liquid banks, especially given the increasing interconnection between nonbank and banking entities. Regulators should monitor risks arising from these links, and full implementation of Basel III and enhanced supervision are essential.

Stronger oversight of nonbank leverage, including better reporting requirements, is needed for systemic risk monitoring.

Financial crises can severely harm macroeconomic outcomes, and growing global financial interconnectedness means that stress originating in one jurisdiction can have a global impact. These risks highlight the crucial role of multilateral surveillance and the importance of a global financial safety net. The IMF fulfills both functions, and in so doing provides for swift and effective mitigation of financial risks.

# ABOUT THE IMF

The International Monetary Fund (IMF) works to achieve sustainable growth and prosperity for all its 191 member countries. It does so by supporting economic policies that promote financial stability and monetary cooperation, which are essential to increase productivity, job creation, and economic well-being. The IMF is governed by and accountable to its member countries. All member countries are represented on the IMF Executive Board, which discusses the national, regional, and global consequences of each member's economic policies, approves IMF financing to help member countries, and oversees the IMF's capacity development efforts. This *Annual Report* covers the activities of the Executive Board, IMF management, and the IMF staff during the financial year May 1, 2024, through April 30, 2025, unless noted otherwise. The contents reflect the views and policy discussions of the IMF Executive Board, which has actively participated in the preparation of this *Annual Report*.

The IMF's financial year (FY) is May 1 through April 30. The analysis and policy considerations expressed in this publication are those of the IMF Executive Directors. The IMF's unit of account is the special drawing right (SDR); conversions of IMF financial data to US dollars are approximate and provided for convenience. On April 30, 2025, the SDR/US dollar exchange rate was US$1 = SDR 0.737401, and the US dollar/SDR exchange rate was SDR 1 = US$1.35611. The year-earlier rates (April 30, 2024) were US$1 = SDR 0.758766 and SDR 1 = US$1.31793. "Billion" means a thousand million; "trillion" means a thousand billion; minor discrepancies between constituent figures and totals are due to rounding. As used in this *Annual Report*, the term "country" does not in all cases refer to a territorial entity that is a state as understood by international law and practice. As used here, the term also covers some territorial entities that are not states but for which statistical data are maintained on a separate and independent basis. The boundaries, colors, denominations, and any other information shown on any maps do not imply on the part of the IMF any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries.

## The IMF has three critical missions:

**Economic Surveillance**
Provide member countries with advice on adopting policies to achieve macroeconomic stability, accelerate economic growth, and alleviate poverty.

**Lending**
Make financing available to member countries to help address balance of payments problems, including foreign exchange shortages that occur when external payments exceed foreign exchange earnings.

**Capacity Development**
Deliver training and technical assistance (capacity development), when requested, to help member countries strengthen their economic institutions to design and implement sound economic policies.

*The IMF's headquarters is in Washington, DC, and its offices around the world aim to promote its global reach and maintain close ties with its members. For more information on the IMF and its member countries, visit* IMF.org.

On April 30, 2025, the **SDR/US dollar** exchange rate was

**SDR 1 = US$1.35611**

the **US dollar/SDR** exchange rate was

**US$1 = SDR 0.737401**

# WHAT WE DO

## ECONOMIC SURVEILLANCE

The IMF monitors the international monetary system and global economic developments, while also engaging in regular health checks of the economic and financial policies of its 191 member countries. These activities are also known as “surveillance.” The IMF highlights stability risks to member countries and advises governments on potential policy adjustments. This work supports the international monetary system by facilitating the exchange of goods, services, and capital among countries and in the process of sustaining sound economic growth.

The IMF gives country-specific advice through bilateral surveillance and provides analysis of the international monetary system and global and regional economic developments through multilateral surveillance.

One major upgrade to IMF surveillance came with the start of Phase II of the Financial Sector Stability Fund (FSSF). Established in 2017, the FSSF is a

**Continued on page 26 »**

Ethiopia

multi-donor trust fund that finances programmatic CD on financial sector stability and oversight in low-income and lower-middle-income countries and fragile and conflict-affected states. Since the FSSF's inception, the IMF has conducted 28 diagnostics of countries' abilities to identify, monitor, manage, and mitigate risks to financial stability. The diagnostics lay the groundwork for technical assistance workplans aimed at addressing the gaps identified. FSSF work has had a tangible impact on the ground, including strengthening supervisory frameworks, establishing financial stability departments, and enhancing resolution regimes. Phase II will continue this important work, aiming for even stronger traction of recommendations through careful prioritization and assessment of the authorities' absorption capacity.

**Bilateral Surveillance**

Bilateral surveillance, such as Article IV consultations and financial sector assessments, is carried out during IMF team missions to member countries. During Article IV missions, IMF staff engage in two-way policy communication with country authorities on a range of key issues, including exchange rates; fiscal, financial, and monetary policies; and structural reforms. Discussions also extend to developments in other areas critical for economic and financial stability, such as climate change and digitalization. In FY 2024/25, the IMF conducted 134 Article IV consultations and eight financial system stability assessments under the FSAP.

**Multilateral Surveillance**

As part of its multilateral surveillance, the IMF issues biannual reports and updates on the latest global economic developments: the *World Economic Outlook*, the *Global Financial Stability Report*, and the *Fiscal Monitor*. In-depth analyses of selected and highly topical issues are thematic chapters in these publications. Interim updates on global economic conditions are issued when warranted. In addition, as part of an ongoing effort to provide a rigorous and candid assessment of global excess imbalances and their causes, the IMF publishes the *External Sector Report* annually.

The IMF also publishes reports on the outlook for regions, which cover regional policy developments and challenges and provide country-specific analysis. Article IV consultations and financial system stability assessments under the FSAP also discuss issues related to multilateral surveillance, where relevant.

In practice, bilateral and multilateral surveillance inform each other, ensuring a comprehensive and consistent analysis of how one country's policies affect others; that is, their "spillovers." In today's challenging global economic environment, timely and tailored surveillance remains vital. It enables lessons to be shared and provides members with well-calibrated policy advice.

**Policy Advice**

The IMF Executive Board discusses all aspects of the IMF's work, from Article IV consultations to policy issues relevant to the global economy. The Board conducts its work based on policy papers prepared by the IMF staff. In FY 2025, the IMF published 59 of these policy papers externally. For a comprehensive list of IMF policy papers issued in FY 2025, please visit the *Annual Report* website (imf.org/AR2025).

Ghana

# LENDING

IMF financing helps member countries tackle balance of payments problems and stabilize their economies while fostering sustainable economic growth. It can also be extended to address urgent balance of payments needs caused by natural disasters. IMF financing may also be provided on a precautionary basis to address potential balance of payments difficulties that could arise, for instance, from future negative shocks.

IMF lending is provided primarily from one of two accounts: (1) General Resources Account (GRA) financing at interest rates determined as an average of those prevailing among the world's main currencies plus a markup, and (2) Poverty Reduction and Growth Trust (PRGT) loans to low-income countries on concessional terms. In FY 2025, all loans from the PRGT were provided at zero interest.[1] With the operationalization of the Resilience and Sustainability Trust (RST) in 2022, the IMF now offers a third lending pillar, which encompasses a tiered interest rate structure differentiated across country groups, with low-income members benefiting from more favorable terms.

[1] A new tiered interest rate mechanism became effective on May 1, 2025, for Poverty Reduction and Growth Trust (PRGT) commitments under new arrangements and new Rapid Credit Facility (RCF) loans. While the poorest low-income countries will continue to benefit from a zero interest rate, better-off low-income countries will be charged a positive rate, calibrated to remain well below the special drawing right (SDR) interest rate and market interest rates (see https://www.imf.org/en/Publications/Policy-Papers/Issues/2024/10/21/2024-Review-Of-The-Poverty-Reduction-And-Growth-Trust-Facilities-And-Financing-Reform-556512).

**OVERVIEW OF FY 2025**

*Policy Initiatives*

**General Resources**

In October 2024, the IMF Executive Board concluded the Review of Charges and the Surcharge Policy, by reaching consensus on a comprehensive package of measures to meaningfully reduce the cost of borrowing for members, preserve incentive mechanisms for prudent and temporary borrowing, and safeguard the strength of the IMF's balance sheet.

The Board approved the following changes: (1) lowering the margin paid over the special drawing right (SDR) interest rate to 60 basis points from 100 basis points; (2) increasing the borrowing threshold above which surcharges apply to 300 percent of quota from 187.5 percent of quota; (3) reducing the time-based surcharge rate to 75 basis points from 100 basis points; and (4) aligning the thresholds above which commitment fees apply to the overall normal annual and cumulative access limits under the GRA (200 and 600 percent of quota, respectively). These changes became effective on November 1, 2024. The reform package is expected to lower borrowing costs by about $1.2 billion (SDR 880 million) annually. It will reduce payments on the margin and surcharges on average by 36 percent. The number of surcharge payers is expected to decline from 20 to 13 countries in FY 2026.

The Board also approved (1) setting a regular review cycle for the surcharge policy to allow for timely assessment and updates to the surcharge policy framework every five years, or sooner if warranted; (2) strengthening disclosures and operational procedures to ensure that the authorities have adequate information on the cost of IMF borrowing earlier in negotiation of GRA financing; and (3) allocating net income after distribution to the special reserves until it reaches the precautionary balances floor of SDR 20 billion.

In December 2024, the Executive Board concluded a comprehensive review of GRA access limits. The decision maintained the overall normal annual and cumulative GRA access limits at 200 and 600 percent of current quotas, respectively,

Uzbekistan

Argentina

envelope was calibrated to ensure that the IMF can use its limited concessional resources to continue providing vital balance of payments support to low-income countries while supporting strong economic policies and catalyzing fresh financing from other sources.

The most significant financial measure in this package is a distribution framework for GRA resources to facilitate generation of additional PRGT subsidies.[2] The framework consists of (1) a multiyear distribution plan for a cumulative amount of SDR 6.9 billion of GRA net income or reserves to be achieved through annual distribution decisions of specific amounts subject to the financial conditions of the GRA and (2) the establishment of a new administered account, the Interim Placement Administered Account (IPAA), to which such amounts would be transferred from the GRA and temporarily placed and administered by the IMF pursuant to the terms of the IPAA instrument, pending sufficient assurances by members for new commitments of PRGT subsidy resources. The principal amounts held in the IPAA will become available to members for disposition based on their quota shares once the assurances equivalent to 90 percent of the aggregate amount have been reached. In the interim, interest income earned on the IPAA resources will be periodically transferred to the PRGT's Subsidy Reserve Account.

keeping them unchanged from the previous temporary limits set to expire at the end of 2024. The decision considered erosion of access limits relative to macroeconomic aggregates, evolving global conditions, available IMF resources, and necessary safeguards, among other factors. This enabled the IMF to continue meeting the evolving needs of its member countries, providing greater stability and predictability in their access to IMF resources.

**Poverty Reduction and Growth Trust**

In October 2024, the IMF Executive Board reviewed the PRGT facilities and financing and approved a set of reforms to the IMF's concessional lending facilities and an associated funding strategy aimed at preserving the IMF's ability to provide adequate support to low-income countries while restoring the PRGT's self-sustainability. The IMF Executive Board endorsed a long-term self-sustained annual lending envelope of SDR 2.7 billion for the PRGT, which is more than twice the prepandemic capacity. The

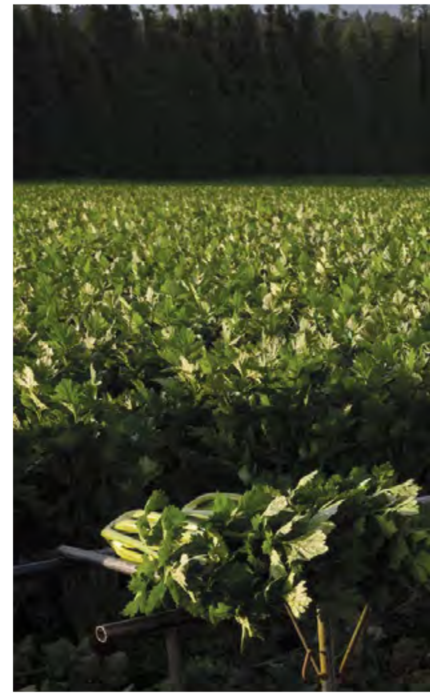
[2] See "Proposal for a Distribution Framework for GRA Resources to Facilitate Generation of Additional PRGT Subsidies."

The response so far shows strong support from the membership to ensure a self-sustained annual PRGT lending capacity of SDR 2.7 billion. In the seven months since the Executive Board approved the distribution framework, assurances corresponding to nearly 34 percent of the required total amount have been received.

Other measures to support the increased PRGT lending volume include additional bilateral subsidy contributions and extending the suspension of the reimbursement of PRGT administrative costs to the GRA through FY 2031.[3]

Furthermore, the review included policy changes that reflect the increasing economic heterogeneity among low-income countries. A new tiered interest mechanism (effective May 1, 2025) will enhance the targeting of scarce PRGT resources to the poorest low-income countries, which continue to benefit from interest-free lending, while higher-income low-income countries are charged a positive, and still concessional, interest rate.

The access norm was set at 145 percent of quota to help anchor the average size of future arrangements and the overall lending volume. At the same time, annual and cumulative limits for PRGT normal access remained at 200 and 600 percent of a member's quota, respectively. This allows for flexibility in calibrating IMF support. Safeguards were strengthened and streamlined to maintain a robust and efficient risk management framework, in light of high lending volumes and risks. In March 2025, the IMF staff completed a guidance note that detailed the implementation of the new PRGT strengthened policy safeguards that were established by the IMF Executive Board as part of the 2024 review of the PRGT facilities and financing.



In April 2025, the IMF staff completed the *Handbook of IMF Facilities for Low-Income Countries*, which provides guidance to staff on the IMF's concessional financial facilities and nonfinancial instruments for low-income countries. It updated the April 2023 handbook by incorporating modifications resulting from the *2024 Review of the Poverty Reduction and Growth Trust Facilities and Financing*.

As part of the PRGT reforms, in October 2024, the IMF Executive Board also approved an increase in PRGT cumulative borrowing by SDR 16 billion, from SDR 71 billion to SDR 87 billion, to accommodate new PRGT loan resources and to meet expected demand for PRGT loan resources over the medium to long term. In FY 2025, two PRGT lenders provided SDR 16.5 billion in new PRGT loan resources—based on the estimates at the end of the financial year. Although lending should decline from recent highs as low-income countries gradually recover from successive shocks and implement domestic policy reform, demand for PRGT financing will remain significantly above prepandemic levels in a more shock-prone world.

The PRGT investment strategy was also enhanced to accommodate the new financing framework. The investment strategy refinements were aimed to accommodate potentially greater need for liquidity

[3] In July 2021, the Board approved the suspension of reimbursement to the General Resources Account of the costs of administering the PRGT for financial years (FYs) 2022-26. A further five-year suspension for FYs 2027–31 was approved in the *2024 Review of the Poverty Reduction and Growth Trust Facilities and Financing–Reform Proposals*. In April 2025, the Executive Board approved carving out a small amount from the suspension of reimbursement of the GRA by the PRGT to recover the increased administrative costs related to PRGT investments.


while allowing the majority of balances to be invested over a long horizon to generate income.

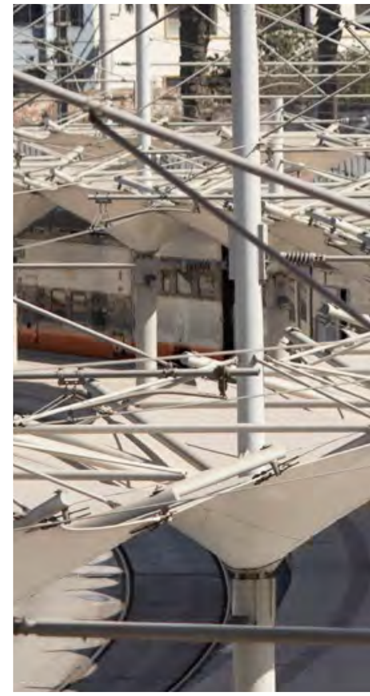
**Resilience and Sustainability Trust**

The Executive Board completed the RST interim review on May 8, 2024. The review took stock of the initial experience with RST implementation, proposed some fine-tuning of the RST design, and assessed the resource adequacy and the financial outlook of the RST. The review noted that demand for the RST has been high since it became operational in October 2022, with 18 arrangements by the time of the review. The review also found that additional bilateral contributions would be needed to meet strong demand and that the trust's reserves were adequate in the baseline and under a range of risk scenarios. The Executive Board also approved a targeted change to the RST Instrument for cases where an arrangement under the Resilience and Sustainability Facility (RSF) is allowed to continue when the member switches from a Flexible Credit Line (FCL) arrangement to another qualifying upper-credit-tranche-quality instrument.[4]

IMF staff updated the RST operational guidance note to reflect recent policy changes. Specifically, the guidance note incorporates the changes made in the RST interim review and the operationalization of the Enhanced IMF–World Bank Group Collaboration Framework for Scaled-Up Climate Action and provides guidance for country teams considering pandemic preparedness–related RSF operations (based on the approved principles for stepped-up cooperation with the World Bank Group and the World Health Organization on pandemic preparedness). The update also includes some clarifications and refinements to the operational guidance for country teams based on experience gathered since the original guidance note was published. It also covers changes to the RST instrument for cases in which the concurrent supporting upper-credit-tranche-quality instrument is an FCL.

[4] The Resilience and Sustainability Trust—Targeted Modification Regarding the Flexible Credit Line Arrangement as Concurrent Upper Credit Tranche–Quality Instrument: www.imfconnect.org/content/dam/imf/board-meetings/documents/edposts/official/2024/12/1282824.pdf


Côte d'Ivoire



**Resource Adequacy of the PRGT, RST, and Debt Relief Trusts**

In March 2025, the IMF Executive Board received an update of the resource adequacy of the PRGT, RST, and debt relief trusts.

- Regarding the PRGT, the update found that the lending outlook is broadly unchanged compared with previous expectations, with additional demand in 2025 projected to largely offset lower-than-expected commitments in 2024. The PRGT's lending capacity remains broadly consistent with the Board-endorsed average annual long-term lending envelope of SDR 2.7 billion, based on the agreed medium-term framework. The lending capacity and policy reforms defined as part of the 2024 PRGT review allow the PRGT to provide adequate balance of payments support to low-income countries in the next few years amid increased uncertainty in the global outlook.
- Regarding the RST, the update highlighted continued good progress on voluntary bilateral contributions, with sufficient resources to meet projected demand through the end of 2026. The update found that RST reserves remain adequate under the baseline, although the net reserve coverage to credit outstanding temporarily falls below the 10 percent threshold in some adverse scenarios, indicating increased risks, particularly from rising interest rates. Gross reserve coverage remains above the 35 percent threshold in the baseline and in the adverse scenarios. Despite these risks, the interest rate cap for Group A countries was deemed appropriate, while reserve adequacy will continue to be closely monitored. The RST comprehensive review, expected to be completed in calendar year 2026, will provide an opportunity to revisit medium-term demand and associated resource implications.

Morocco

- The Catastrophe Containment and Relief Trust (CCRT)—the IMF's vehicle for delivering IMF debt-service relief to its poorest members when they face qualifying catastrophic events—delivered unprecedented support during the pandemic. CCRT support freed up resources for additional spending that helped mitigate its impact. Since the pandemic, no qualifying cases or events have required CCRT funding. The next CCRT review, planned for FY 2027, provides an opportunity to address its financing challenges.

- The Heavily Indebted Poor Countries Initiative is nearly complete. The latest country to reach the completion point and receive debt relief was Somalia, in December 2023.

**Special Drawing Rights**

The Executive Board on May 10, 2024, authorized the use of special drawing rights by IMF members that want to channel SDRs for the acquisition of hybrid capital instruments issued by prescribed holders (official entities approved by the IMF to hold SDRs). A hybrid capital instrument is a financial instrument with perpetual maturity that has both equity and debt properties. The use of SDRs to acquire hybrid capital instruments adds to seven SDR prescribed operations already authorized, which are (1) the settlement of obligations, (2) loans, (3) pledges, (4) transfers as a security for performance of financial obligations, (5) swaps, (6) forward operations, and (7) donations. A review of the new SDR use is expected to be conducted when cumulative hybrid capital contributions surpass SDR 10 billion or two years after the authorization, whichever comes first.

LENDING MAP

# FINANCIAL ASSISTANCE APPROVED IN FY 2025

AS OF APRIL 30, 2025
(MILLIONS OF SDRs)

## SDR/USD EXCHANGE RATE

**ON APRIL 30, 2025: SDR 1= $1.35611**

### KEY

**AUG** – AUGMENTATION
**ECF** – EXTENDED CREDIT FACILITY
**EFF** – EXTENDED FUND FACILITY
**FCL** – FLEXIBLE CREDIT LINE
**RCF** – RAPID CREDIT FACILITY
**RSF** – RESILIENCE AND SUSTAINABILITY FACILITY

## SUB-SAHARAN AFRICA

**6,709.60** M SDR

**CENTRAL AFRICAN REPUBLIC**
AUG ECF ...................5.80 M SDR

**DEMOCRATIC REPUBLIC OF THE CONGO**
RSF ........................ 799.50 M SDR
ECF ................... 1,332.50 M SDR

**ETHIOPIA**
ECF ...................2,555.95 M SDR

**GUINEA**
RCF ........................ 53.55 M SDR

**KENYA**
AUG ECF ............. 117.66 M SDR

**LIBERIA**
ECF ...................... 155.00 M SDR

**MADAGASCAR**
RSF ........................ 244.40 M SDR
ECF ...................... 256.62 M SDR

**MALI**
RCF ........................ 93.30 M SDR

**SÃO TOMÉ AND PRÍNCIPE**
ECF ........................ 18.50 M SDR

**SIERRA LEONE**
ECF ..................... 186.66 M SDR

**TANZANIA**
RSF ........................ 596.70 M SDR

**ZAMBIA**
AUG ECF ............. 293.46 M SDR

Note: Kenya received a diminution of 336.4 M SDR under the EFF.

M SDR = millions of special drawing rights.

## ASIA AND PACIFIC

**197.40** M SDR

**PAPUA NEW GUINEA**
RSF ...................... 197.40 M SDR

## WESTERN HEMISPHERE

**29,766.72** M SDR

**ARGENTINA**
EFF .................. 15,267.00 M SDR

**CHILE**
FCL.................. 10,465.80 M SDR

**ECUADOR**
EFF .................... 3,000.00 M SDR

**EL SALVADOR**
EFF ................... 1,033.92 M SDR

## MIDDLE EAST AND CENTRAL ASIA

**9,770.00** M SDR

**EGYPT**
RSF .................... 1,000.00 M SDR

**MOROCCO**
FCL.................... 3,450.00 M SDR

**PAKISTAN**
EFF .................... 5,320.00 M SDR

Kenya

## Table 2.1. Financial terms under IMF General Resources Account credit

This table shows the IMF's non-concessional lending facilities. Stand-By Arrangements and extended arrangements under the Extended Fund Facility have long been the institution's core lending instruments. These are supplemented by the IMF's crisis prevention instruments: the Flexible Credit Line and the Precautionary and Liquidity Line. In addition, the IMF provides emergency lending on non-concessional terms through its Rapid Financing Instrument (RFI). The IMF also established the Short-Term Liquidity Line in 2020 to provide a backstop to members with very strong policies and fundamentals.

Following the onset of the pandemic and as part of its COVID-19 response, the IMF temporarily increased the annual and cumulative access limits under the RFI and the annual access limit to resources in the IMF's General Resources Account (GRA), which triggered application of the exceptional access framework until the end of 2021. In December 2021, the IMF's Executive Board approved 18-month extensions (through the end of June 2023) of the temporary increases to the cumulative access limits under the RFI's regular and large natural disaster windows and allowed all other access limits that had been temporarily increased to return to their

| Credit Facility (year adopted)[1] | Purpose | Conditions | Phasing and Monitoring |
|---|---|---|---|
| **Stand-By Arrangement (SBA) (1952)** | Short- to medium-term assistance for countries with balance of payments difficulties | Adopt policies that provide confidence that the member's balance of payments difficulties will be resolved within a reasonable period | Generally quarterly purchases contingent on observance of performance criteria and other conditions |
| **Extended Fund Facility (EFF) (1974) (Extended Arrangements)** | Medium-term assistance to support members' balance of payments difficulties associated with structural issues | At approval, adopt, with a structural agenda and an annual detailed statement of policies for the subsequent 12 months | Quarterly or semiannual reviews and observance of performance criteria and other conditions |
| **Flexible Credit Line (FCL) (2009)** | Flexible instrument in the credit tranches to address all balance of payments needs, potential or actual, and to boost market confidence during a period of heightened risks | Very strong ex ante macroeconomic fundamentals, economic policy framework, and policy track record | Approved access available up front throughout the arrangement period; two-year FCL arrangements are subject to a midterm review after one year |
| **Precautionary and Liquidity Line (PLL) (2011)** | Instrument in the credit tranches to address all balance of payments needs, potential or actual, and to boost market confidence during a period of heightened risks | Sound policy frameworks, external position, and market access, including financial sector soundness | Large front-loaded access, subject to semiannual reviews (for one- to two-year PLL arrangements) |
| **Short-Term Liquidity Line (SLL) (2020)** | Liquidity backstop in case of potential external shocks that generate moderate balance of payments needs | Very strong ex ante macroeconomic fundamentals, economic policy framework, and policy track record | Approved access available up front throughout the period of the arrangement and can be reconstituted through repurchase; number of successor SLL arrangements unrestricted as long as member continues to meet qualification criteria |
| **Rapid Financing Instrument (RFI) (2011)** | Rapid financial assistance to all member countries facing urgent balance of payments needs | Articulation of policies to address the balance of payments difficulties. Prior actions may be required. | Outright purchases without the need for full-fledged program or reviews |

Source: IMF, Finance Department.

[1] The IMF's lending through the General Resources Account (GRA) is financed primarily from the capital subscribed by member countries; each country is assigned a quota that represents its financial commitment. A member provides a portion of its quota in special drawing rights (SDRs) or the currency of another member acceptable to the IMF and the remainder in its own currency. An IMF loan is disbursed or drawn by the borrower's purchase of foreign currency assets from the IMF with its own currency. Repayment of the loan is achieved by the borrower's repurchase of its currency from the IMF with foreign currency.

[2] The rate of charge on funds disbursed from the GRA is set at a margin (currently 60 basis points) over the weekly SDR interest rate. The rate of charge is applied to the daily balance of all outstanding GRA drawings during each IMF financial quarter. In addition, a one-time service charge of 0.5 percent

prepandemic levels beginning January 1, 2022, as scheduled. In June 2023, the Executive Board allowed the annual access limits to revert to their prepandemic levels but extended the temporary increases of the cumulative access limits for the RFI through the end of June 2024. In March 2023, overall GRA annual and cumulative access limits were temporarily increased to 200 and 600 percent of quota, respectively, through December 31, 2024. In the December 2024 comprehensive review of GRA access limits, the IMF's Executive Board decided to maintain the overall GRA annual and cumulative access limits unchanged at 200 and 600 percent of quota, respectively.

To better support members in coping with economic challenges, including rising energy prices and food insecurity as a result of Russia's war in Ukraine, the IMF approved Food Shock Window (FSW) arrangements under its emergency financing instruments (the RFI and the Rapid Credit Facility) in October 2022. The availability of the FSW was extended by six months, through the end of March 2024: The FSW expired at that time. The application of an additional 25 percent of quota to cumulative access limits for the RFI for countries that have access through the RFI was extended until the end of December 2026.

| **Access Limits**[1] | **Charges**[2] | **Repayment Schedule (years)** | **Installments** |
|---|---|---|---|
| Annual: 200 percent of quota<br>Cumulative: 600 percent of quota | Rate of charge plus surcharge (200 basis points on amounts above 300 percent of quota; additional 75 basis points when outstanding credit remains above 300 percent of quota for more than 36 months)[3] | 3¼–5 | Quarterly |
| Annual: 200 percent of quota<br>Cumulative: 600 percent of quota | Rate of charge plus surcharge (200 basis points on amounts above 300 percent of quota; additional 75 basis points when outstanding credit remains above 300 percent of quota for more than 51 months)[3] | 4½–10 | Semiannual |
| No preset limit<br>Up to 200 percent of quota for FCL without articulation of exit expectations | Rate of charge plus surcharge (200 basis points on amounts above 300 percent of quota; additional 75 basis points when outstanding credit remains above 300 percent of quota for more than 36 months)[3] | 3¼–5 | Quarterly |
| 150 percent of quota (300 percent of quota in exceptional circumstances) for six months; 300 percent of quota available on approval of one- to two-year arrangements; total of 600 percent of quota cumulative access | Rate of charge plus surcharge (200 basis points on amounts above 300 percent of quota; additional 75 basis points when outstanding credit remains above 300 percent of quota for more than 36 months)[3] | 3¼–5 | Quarterly |
| Up to 200 percent of quota; revolving access for a period of 12 months. In case of a combined use of FCL and SLL, access up to 400 percent of quota without articulation of exit expectations (i.e., 200 percent of quota from each an FCL and SLL) | Rate of charge plus surcharge (200 basis points on credit outstanding above 300 percent of quota); SLL credit does not count toward time-based surcharges | Repurchase(s) due no later than 12 months after the purchase; repurchases reconstitute access up to the level approved | |
| Annual: 50 percent of quota (80 percent for large natural disasters)<br>Cumulative: 100 percent of quota<br>(133.33 percent for large natural disasters) | Rate of charge plus surcharge (200 basis points on amounts above 300 percent of quota; additional 75 basis points when outstanding credit remains above 300 percent of quota for more than 36 months)[3] | 3¼–5 | Quarterly |

is levied on each drawing of IMF resources in the GRA, other than reserve tranche drawings. An up-front commitment fee (15 basis points on committed amounts of up to 200 percent of quota, 30 basis points for amounts in excess of 200 percent and up to 600 percent of quota, and 60 basis points for amounts in excess of 600 percent of quota) applies to the amount available for purchase under arrangements (under the SBA, EFF, PLL, and FCL) that may be drawn during each (annual) period; this fee is refunded on a proportionate basis as subsequent drawings are made under the arrangement. For SLL arrangements, the service charge is 21 basis points, and a nonrefundable commitment fee of 8 basis points is payable upon approval of an SLL arrangement.

[3] Surcharges were introduced in November 2000. A new system of surcharges took effect August 1, 2009, and was updated on February 17, 2016, and October 11, 2024.

## Table 2.2. Concessional lending facilities

*(Includes changes effective May 1, 2025)*

The IMF has three concessional lending facilities for low-income countries.

| | Extended Credit Facility (ECF) | Standby Credit Facility (SCF) | Rapid Credit Facility (RCF) |
|---|---|---|---|
| **Objective** | Help low-income countries achieve, maintain, restore, or make significant progress toward a stable and sustainable macroeconomic position consistent with strong and durable poverty reduction and growth | | |
| **Eligibility** | Countries eligible for assistance under the Poverty Reduction and Growth Trust (PRGT) | | |
| **Qualification** | Low-income countries with protracted balance of-payments problems | Potential (precautionary use) or actual short-term balance of payments need at the time of approval; actual need required for each disbursement | Urgent balance of payments needs when upper-credit-tranche (UCT) program is either not feasible or not needed[1] |
| **Poverty Reduction and Growth Strategy** | IMF-supported program should be aligned with country-owned poverty reduction and growth objectives and should aim to support policies that safeguard social and other priority spending | | |
| | Submission of Poverty Reduction Strategy (PRS) document | Submission of PRS document required if original duration of SCF arrangement exceeds two years | Submission of PRS document not required |
| **Conditionality** | UCT quality; flexibility on adjustment path and timing | UCT quality | No ex post conditionality: track record used to qualify for repeat use (except under the exogenous shock window and the large natural disasters window) |
| **Access Policies** | The 2024 PRGT Review set the access norm at 145 percent of quota and PRGT annual and cumulative access limits at 200 and 600 percent of quota, respectively, starting January 1, 2025. | | |
| **Financing Terms**[2] | Interest rate on the outstanding balances of loans under an ECF arrangement approved prior to May 1, 2025: 0<br><br>Interest rate on the outstanding balances of loans under an ECF arrangement approved on or after May 1, 2025:<br>Tier A: 0, Tier 2A: 0.7 xSDRi, Tier 2B: 0.4 x SDRi<br>Repayment terms: 5½–10 years | Interest rate on the outstanding balances of loans under an SCF arrangement approved prior to May 1, 2025: 0<br><br>Interest rate on the outstanding balances of loans under an SCF arrangement approved on or after May 1, 2025:<br>Tier A 0, Tier 2A: 0.7 x SDRi, Tier 2B: 0.4 x SDRi<br>Repayment terms: 4–8 years<br>Availability fee: 0.15 percent on available but undrawn amounts under precautionary arrangement | Interest rate on the outstanding balance of an RCF loan approved prior to May 1, 2025: 0<br><br>Interest rate on the outstanding balance of an RCF loan approved on or after May 1, 2025:<br>Tier A 0, Tier 2A: 0.7 x SDRi, Tier 2B: 0.4 x SDRi<br>Repayment terms: 5½–10 years |

[1] UCT-quality conditionality is the set of program-related conditions intended to ensure that IMF resources support the program's objectives, with adequate safeguards of IMF resources.

[2] On May 1, 2025, a new interest rate mechanism approved by the Board under the 2024 PRGT Review became effective and applies to all new PRGT arrangements and emergency financing approved on or after May 1, 2025. The new mechanism consists of a differentiated interest rate structure based on the SDRi and the blending policy. Differentiated interest rates are applicable to country groups (tiers), which are determined using the criteria under the blending policy. For PRGT-eligible members that do not meet the income criteria for presumed blending, the applicable interest on PRGT loans remains at zero (Tier A). For PRGT-eligible members that meet the income criterion for blending, the applicable interest rate on PRGT loans is a fraction of the SDRi depending on debt vulnerabilities and market access (Tier 2A and 2B).

| | Extended Credit Facility (ECF) | Standby Credit Facility (SCF) | Rapid Credit Facility (RCF) |
|---|---|---|---|
| **Blending Requirements with GRA Financing** | Based on income per capita and market access; linked to debt vulnerability. For members presumed to blend, blending of PRGT and GRA resources takes place at a ratio of 1 to 2, with concessional access capped at the applicable norms (all GRA thereafter) | | |
| **Precautionary Use Available** | Not envisaged | Yes | No |
| **Length and Repeated Use** | From three to as long as five years, with an overall maximum duration of five years; can be used repeatedly | Use is normally limited to three years in any six-year period, assessed on a rolling basis, with exceptions for SCF arrangements treated as precautionary | Outright disbursements; repeated use possible subject to access limits and other requirements; the limit on repeated use—twice in any 12-month period—was temporarily lifted through April 6, 2021, and then extended through the end of 2021 |
| **Concurrent Use** | GRA (Extended Fund Facility) | GRA (Stand-By Arrangement) and Policy Coordination Instrument | GRA (Rapid Financing Instrument); credit under the Rapid Financing Instrument counts toward the RCF access limits |

Source: IMF, Finance Department.

Note: SDRi = SDR interest rate.

## Table 2.3. Resilience and sustainability facility

As the third pillar of IMF lending, the Resilience and Sustainability Trust (RST) complements the General Resources Account and Poverty Reduction and Growth Trust (PRGT) by providing longer-term, affordable financing to low-income and vulnerable middle-income countries, as well as to small states facing longer-term structural challenges that pose risks to prospective balance of payments stability.

| | |
|---|---|
| **Objective** | Reduce prospective balance of payments risks arising from longer-term structural challenges relating to climate shocks and pandemics among low-income and vulnerable middle-income countries and small states. |
| **Purpose** | Support policy reforms and provide longer-term financing to reduce macroeconomically critical risks associated with selected long-term structural challenges. |
| **Eligibility** | Countries eligible for assistance under the PRGT, all small states with populations less than 1.5 million with per capita gross national income (GNI) less than 25 times the 2021 International Development Association (IDA) operational cutoff, and all middle-income countries with per capita GNI less than 10 times the 2021 IDA operational cutoff. |
| **Qualification** | A package of high-quality policy measures consistent with the purpose of the RST, a concurrent financing or non-financing program with upper-credit-tranche (UCT)-quality policies, and sustainable debt and adequate capacity to repay the IMF. |
| **Conditionality** | Reform measures linked to addressing qualifying longer-term structural challenges—that are separate from conditionality of the concurrent UCT program; close coordination with the World Bank and other relevant multilateral development banks and international financial institutions is envisioned to leverage comparative expertise and institutional knowledge. |
| **Access Policies** | Access at the norm (75 percent of quota) with an overall cumulative access cap of 150 percent of quota or SDR 1 billion, whichever is smaller, based on the reforms' strength, debt sustainability, and capacity to repay the IMF. |
| **Financing Terms** | Tiered interest rate: Group A countries—SDR interest rate + 55 basis points (capped at 2¼ percent); Group B countries—SDR interest rate + 75 basis points and a 25 basis point service charge; Group C countries—SDR interest rate + 95 basis points and a 50 basis point service charge.[1]<br>Repayment terms: 10½–20 years. |
| **Precautionary Use Available** | No. |
| **Length and Repeated Use** | The duration of the Resilience and Sustainability Facility (RSF) arrangement is generally expected to coincide with the duration of a new UCT program (when the two are requested together) or the remaining duration of an existing UCT program (when the RSF request occurs at a review of the UCT program); minimum duration is 18 months (12 months for RSF arrangements approved within the first six months of the RST's operationalization, which has now lapsed) to allow adequate time for implementation of RSF reform measures, including any necessary technical assistance; repeated use possible subject to access limits. Continuity of the RSF arrangement when there is a need to switch across qualifying UCT programs is possible under certain circumstances. |
| **Concurrent Use** | Must have concurrent UCT-quality program. |

Source: IMF, Finance Department.

Note: To qualify for a loan under the RSF, a member needs (1) a package of high-quality policy measures consistent with the purpose of the trust, (2) a concurrent financing or nonfinancing program with UCT-quality policies, and (3) sustainable debt and adequate capacity to repay the IMF.

[1] The Executive Board approved the introduction of an interest rate cap for the RST's lowest-income borrowers on May 18, 2023.

## LENDING OVERVIEW

The IMF has continued to respond to economic challenges stemming from a series of shocks since the onset of the global pandemic, including through lending under IMF-supported programs.[5]

Demand for lending and support under the IMF's facilities remained high in FY 2025. Between May 1, 2024, and April 30, 2025, new requests were approved for about SDR 46 billion, focused on the following areas:

- New GRA and PRGT lending arrangements, including precautionary arrangements: The Executive Board approved 10 new nonprecautionary IMF arrangements with 10 countries. These included four under the GRA's Extended Fund Facility for a total of SDR 24.6 billion and six arrangements under the PRGT's Extended Credit Facility for a total of SDR 4.5 billion. Two precautionary arrangements under the GRA's Flexible Credit Line in the amount of SDR 13.9 billion were also approved. In addition to these lending arrangements, two members received emergency financing disbursements of SDR 146.9 million under the PRGT's Rapid Credit Facility.

- Building on existing lending arrangements: The IMF augmented existing arrangements to accommodate urgent new financing needs in the context of ongoing policy dialogue for an amount of SDR 416.9 million. The Executive Board approved the augmentation of Extended Credit Facility arrangements with three members. It also approved a reduction in GRA access for one member in the amount of SDR 336.4 million.

- The Executive Board also approved requests for arrangements under the Resilience and Sustainability Facility for five countries: the Democratic Republic of the Congo, Egypt, Madagascar, Papua New Guinea, and Tanzania (totaling about SDR 2.8 billion).

- Debt relief under the HIPC Initiative:[6,7] Sudan's prospects for reaching its HIPC completion point remain uncertain. The IMF-supported program for Sudan that was approved in June 2021 expired in December 2022. A new PRGT arrangement would be needed to support progress toward reaching the HIPC completion point.[8]

[5] Including prepandemic commitments, as of April 30, 2025, total undisbursed lending commitments and credit outstanding under the General Resources Account were about SDR 165 billion; the corresponding total under the PRGT was about SDR 29 billion.

[6] No country requested debt relief under the Catastrophe Containment and Relief Trust during FY 2025.

[7] The Heavily Indebted Poor Countries (HIPC) Initiative was launched in 1996 by the IMF and the World Bank, with the aim of ensuring that no poor country face a debt burden it cannot manage. The initiative involves a two-step process through which countries must meet certain criteria, commit to poverty reduction through policy changes, and demonstrate a good track record over time. The IMF and World Bank Executive Boards determine that a country qualifies for debt relief under the HIPC Initiative, which is the first stage (HIPC decision point). Multilateral and official bilateral creditors may provide interim debt relief on a country's HIPC-eligible debt in the interim period, and, when a country meets its commitments, full debt relief is provided, which is the second stage (HIPC completion point).

[8] Sudan received interim assistance covering the period between its decision points on June 29, 2021, and June 28, 2022, to cover debt-service obligations on pre-arrears clearance debt falling due during that period. No further interim assistance is expected for Sudan, provided it reaches the HIPC completion point by December 29, 2026, as the country currently does not have any debt-service repayments to the IMF falling due before this date.

Somalia

# IMF PROGRAMS AND GLOBAL ECONOMIC RESILIENCE

With external attention often placed on the challenging cases of high-profile IMF-supported programs, examples of success tend to be less noticed. Over the past 80 years, the IMF has played a pivotal role in assisting countries across the membership in implementing reforms, enhancing resilience, building robust policy frameworks, and restoring economic prosperity. During a recent seminar at the IMF–World Bank Spring Meetings, policymakers from Benin, Greece, and Paraguay shared their experiences of how the IMF's support has been instrumental in their countries' economic journeys—highlighting the importance of country ownership, early engagement, and continued reform efforts. Other recent cases of the impact of IMF engagement include cases such as **Costa Rica, Jamaica,** and **Somalia** to name a few.

Costa Rica stands out as a notable example, having recently completed an Extended Fund Facility arrangement alongside the IMF's inaugural Resilience and Sustainability Facility. This dual engagement has enabled Costa Rica to pursue structural reforms and sustainable growth, contributing to economic resilience against multiple external shocks and one of the fastest regional growth rates.

Jamaica's story is another testament to constructive engagement with the IMF.
The commitment to reform, supported by the civil society and international and bilateral partners, has allowed Jamaica a historic opportunity to set


Jamaica


Costa Rica

an example for other small countries on how to emerge from a crisis with a steadfast commitment to macroeconomic prudence and strong institutional and policy frameworks.

In the context of low-income and fragile states, Somalia's progress is particularly noteworthy. Following devastating conflict, IMF support has been crucial in rebuilding the economy and institutions. Successive IMF engagements—first through four staff-monitored programs and then two Extended Credit Facility arrangements—have enabled the implementation of close to 100 key reforms over the past decade in support of wide-ranging institutional reforms, improvements in reporting and accountability, and reintegration with the international community. Thanks to these efforts, Somalia reached the Heavily Indebted Poor Countries completion point in December 2023, which provided the country with $4.5 billion in debt relief. The IMF-supported program and IMF capacity development support have facilitated significant advances in domestic revenue mobilization, public financial management, central bank institutional framework, governance, and statistical systems.

These examples underscore the transformative impact of IMF programs, highlighting the Fund's commitment to fostering economic stability and growth across diverse global contexts. A more comprehensive analysis of the impact of IMF programs will be covered in detail in the upcoming review of program design and conditionality.

# CAPACITY DEVELOPMENT

Strengthening the capacity of institutions—including central banks, finance ministries, revenue administrations, statistical agencies, and financial sector supervisory agencies—results in more effective policies and greater economic stability and growth. The IMF, along with its partners, works with member countries to upgrade their economic policies and strengthen institutions by providing demand-driven, tailored hands-on technical assistance and training focused on issues that are critical to economic stability and growth. IMF capacity development (CD) also includes a suite of diagnostic tools and publications, and peer-learning opportunities.

Japan

# PART TWO: **WHAT WE DO**

Uzbekistan

Every five years, the IMF undertakes a comprehensive review of its CD strategy. The 2024 CD Strategy Review (CDSR) outlined the vision for Fund CD for building institutions and individual capacity. The CDSR reform proposals focused on making CD delivery more flexible, tailored, and better integrated with policy advice and program design. Over the medium term, priorities include further modernizing CD delivery by leveraging new technologies, enhancing the effectiveness of field presence through the IMF's network of regional technical assistance and training centers, and reinforcing coordination with other development partners to improve traction, efficiency, and funding of CD. The ongoing Comprehensive Surveillance Review, which will identify the Fund's surveillance priorities, will provide an opportunity to further advance CD-surveillance integration.

CD focuses on the IMF's core areas of expertise, such as public finances, financial sector stability, central bank operations, macroeconomic frameworks, and economic statistics. It helps countries design better macroeconomic policies, mobilize revenue, spend better, produce better data for economic decisions, and strengthen monetary and financial stability. The IMF is uniquely positioned to support its membership in these areas, with its global reach and world-class institutional experience. All IMF members benefit from CD, but priority is given to low-income and fragile and conflict-affected countries, as well as members with IMF programs.

At the request of country authorities, IMF country teams and technical experts develop and implement an integrated work plan tailored to member countries' needs and absorptive capacity. In addition, a variety of publications provide technical information and cross-country analyses useful to national authorities. The IMF works with member countries through a global network of 17 regional capacity development centers (RCDCs), in-country placements of long-term resident advisors, and short-term visits by IMF staff and experts (in person, remotely, or a combination of both—that is, through a hybrid model), classroom training, and free online courses. Donor partners of the IMF and RCDC member countries fund about two-thirds of direct spending on CD.

To help maximize the impact of IMF CD on members' ability to conduct effective macroeconomic management and boost their institutional resilience, the IMF regularly reviews its CD strategy. The strategic vision for IMF CD is informed by its comparative advantage and the IMF's surveillance priorities amid an evolving global CD and surveillance landscape.

The reform proposals in the review focused on making CD delivery more flexible, tailored, and better integrated with policy advice and program design. Over the medium term, priorities include further modernizing CD delivery by leveraging new technologies, enhancing the effectiveness of field presence through the IMF's network of regional technical assistance and training centers, and reinforcing coordination with other development partners to improve traction, efficiency, and funding of CD.

Important milestones in FY 2025 included the launch of the second phase of the Data for Decisions (D4D) Fund, the IMF's main multipartner funding vehicle for statistics training and technical assistance to developing economies, especially low- and middle-income countries as well as fragile and conflict-affected states. In this new phase, supported by current and new donor partners, the D4D Fund will expand its coverage to new areas relevant to IMF member countries, including big data and data standards. FY 2025 also marked the inauguration of the IMF Regional Office in Riyadh, which will step up IMF support to economic policymaking in the Gulf Cooperation Council region and more broadly to the Middle East and North Africa (MENA). The regional office is an integral part of a wider capacity development partnership, put in place by the Ministry of Finance of Saudi Arabia and the IMF in August 2024—a 10-year, $279 million endeavor. In April 2025, the IMF and the Paraguayan authorities signed a letter of understanding for the establishment of a regional training program in Asunción, Paraguay.

The Middle East Regional Technical Assistance Center (METAC), a collaborative venture between the IMF, member countries, and bilateral and multilateral development partners, celebrated its 20th anniversary as a provider of technical assistance and training activities tailored to the needs of its 14 member countries (see page 48). METAC delivers capacity building, facilitates reform processes in member countries, and supports the region's integration in the world economy. METAC's location within the region and its close collaboration with regional organizations and other technical assistance providers facilitates closer coordination among donor partners and existing economic initiatives within the MENA region.

The IMF online learning program continued its expansion, aligned with the recommendations of the CD strategy review, to enable ongoing delivery of CD through a range of modalities and support the integration of CD and surveillance. In FY 2025, 17 new massive open online courses were launched—eight in English and nine in other languages—bringing the total number of course offerings for the year to 157. The program also expanded its microlearning portfolio on the IMF Institute Learning Channel, adding more than 80 new bite-size, on-demand videos designed to highlight specific topics, address knowledge gaps, and support the development of job-relevant skills. Seven new blended courses, incorporating online and in-person content, were also introduced. For the first time, Macroeconomic Policy Communication was offered as a self-contained and comprehensive course, intentionally designed in a blended format (see page 50).

Egypt

# 20 YEARS OF BUILDING MACROECONOMIC CAPACITY IN THE MIDDLE EAST AND NORTH AFRICA

**2024 marked the 20th anniversary of the Middle East Regional Technical Assistance Center (METAC), a significant milestone for IMF capacity development.** Established as a collaborative effort among the IMF, member countries, and development partners, METAC has been instrumental in promoting reforms across the region and in supporting its member countries in building stronger macroeconomic institutions and implementing sound economic policies that aim to promote stability and inclusive growth across the Middle East and North Africa (MENA) region.

**The idea of setting up a Middle East Regional Technical Assistance Center was proposed in October 2003 at the International Donors' Conference for the Reconstruction of Iraq** in Madrid, Spain. The original objective was to assist post-conflict countries in the MENA region in restoring macroeconomic stability and developing basic institutions for policymaking by providing targeted capacity development; eventually the center covered a broader membership including emerging market economies.

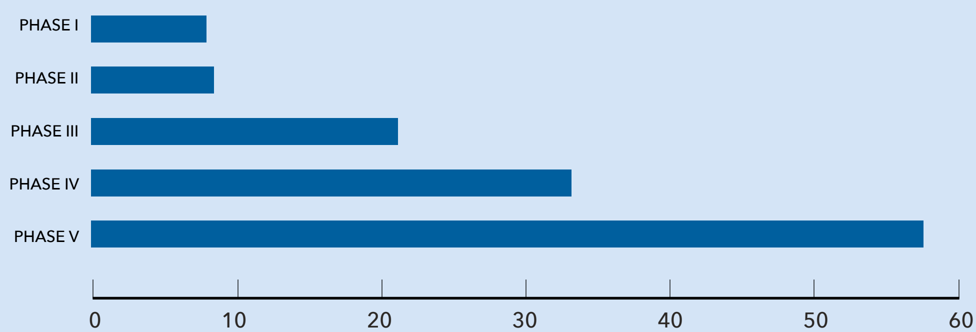
**METAC was officially inaugurated October 25, 2004, in Beirut, Lebanon.** Initially, the center served 10 members: Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Syria, West Bank and Gaza, and Yemen. Algeria, Djibouti, Morocco, and Tunisia joined METAC in 2016. Complementing METAC's technical assistance, the IMF and Kuwait established in 2011 the Middle East Center for Economics and Finance (CEF) to provide economic training to the Arab League countries. The CEF is an IMF regional training center for the Arab League countries.



FIGURE 2.1.

## PHASE I-V BUDGETS

**millions of US dollars**




Source: Prepared by the IMF Institute for Capacity Development.

METAC and the CEF are collaborating closely, with METAC experts providing hands-on training courses for country officials at the CEF in Kuwait.

METAC's activities are organized in funding cycles, called "program phases." As shown in Figure 2.1, **the center's scale of operations has increased significantly.** In the run-up to the current phase, the IMF committed to an ambitious expansion of its capacity development services to the MENA region. METAC's growth was made possible by strong development partner support and a substantially increased financial contribution by the IMF itself in the context of its Fragile and Conflict-Affected States Strategy. Several new workstreams have been added to METAC's portfolio, and the number of regional advisors managing and delivering capacity development services to member countries has almost tripled during this phase. **Further growth is envisioned in the coming years, enabling METAC to better meet the large capacity development needs in the region.**

# MACROECONOMIC POLICY COMMUNICATION: FIRST IMF CUSTOM-BUILT BLENDED COURSE

In January 2025, the Singapore Regional Training Institute successfully delivered a blended course on Macroeconomic Policy Communication (MPC), marking a significant milestone in the IMF's capacity development and training curriculum. For the first time, macroeconomic policy communication—a crucial aspect of macroeconomic policy—was offered as a self-contained and comprehensive course. This also marks the first time a new training course was intentionally designed in a blended format.

While face-to-face remains the cornerstone of capacity development training, rapid advances in learning sciences, instructional design, and education technology offer a remarkable opportunity to blend teaching modalities and improve outcomes. Since 2021, more than 20 blended courses delivered by the IMF have resulted in improved learning outcomes and enhanced learner satisfaction. Notably, these blended courses were all adaptations of existing in-person training.

The MPC course sets a new standard by being the first course fully crafted from the ground up in the blended learning format from its inception. The blended MPC course was developed to meet the demands of country authorities, particularly from low-income and fragile states, for tailored communication training that equips participants with skills to convey complex macroeconomic concepts clearly and effectively.

The course spanned 10 days of online self-paced learning, followed by one week of interactive in-person sessions. A total of 30 participants from 14 countries, including central banks and ministries of finance, were engaged in topics related to the principles of communication, strategies for public engagement, and impact assessment.

In-person sessions enhanced engagement,


allowing participants to tackle real-world challenges through practical simulation exercises and case studies. The integration of generative AI tools further facilitated interactive learning, promoting active application of learned strategies.

The blended MPC course not only equipped participants with essential skills but also fostered a network of professionals dedicated to improving communication strategies within their institutions. This initiative exemplifies the IMF's commitment to excellence in training, ultimately contributing to more informed and effective macroeconomic policymaking worldwide.

*All courses on the online platform are available anytime, anywhere, and at no cost, which makes the program a global public good, spearheading knowledge and skills for a more sustainable and inclusive global economy.*

FIGURE 2.2.

## KEY TARGET AUDIENCE


Source: Prepared by the IMF Institute for Capacity Development.

# CAPACITY DEVELOPMENT IN NUMBERS FY 2025

**$382** million for hands-on technical advice, policy-oriented training, and peer learning

CD projects, involving 1,622 experts **2,989**

**538** courses delivered

participants in the online learning program **27,085**

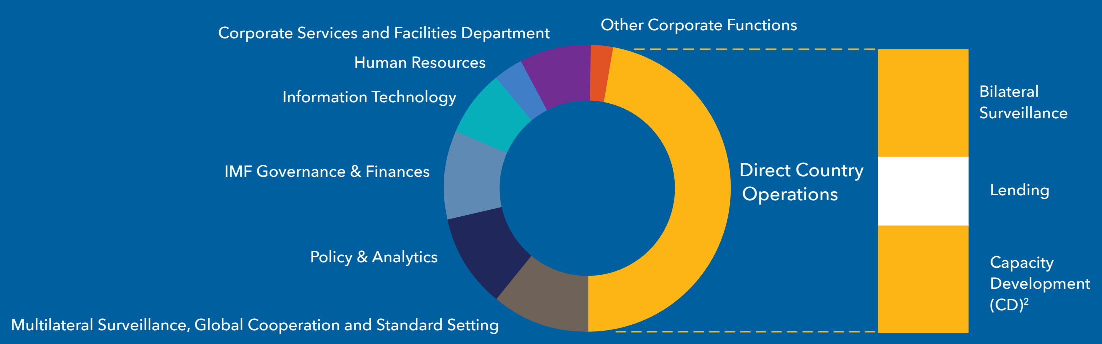
**6** training languages offered

officials trained **19,112**

**2** fragile and conflict-affected states among the top 10 recipients of CD

## FIGURE 2.3. IMF SPENDING BY MAIN OUTPUT, FY 2025[1]

*PERCENT*

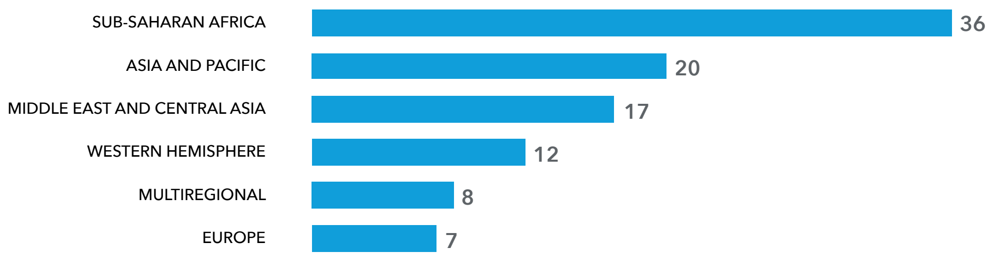



Source: IMF staff calculations.

[1] Excludes central reserves. Direct country operations include only direct engagement with membership.

[2] Delivery only. Excludes capacity development activities related to policy, analytics, and other output areas.

FIGURE 2.4.
**CAPACITY DEVELOPMENT DELIVERY BY**
**REGION**
**FY 2025**
***(Percent of total)***

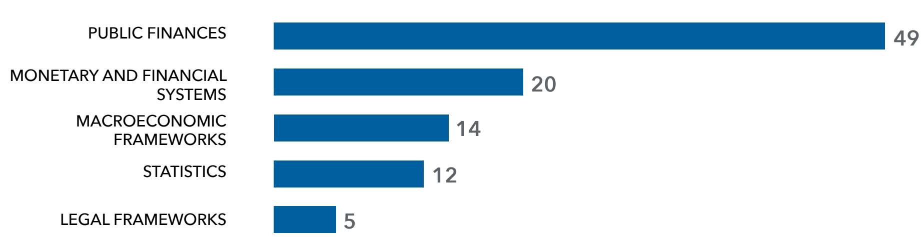



Sources: IMF, Capacity Development Management and Administration Program; and IMF staff calculations.

FIGURE 2.5.
**CAPACITY DEVELOPMENT DELIVERY BY**
**COUNTRY INCOME GROUP**
**FY 2025**
***(Percent of total)***


Sources: IMF, Capacity Development Management and Administration Program; and IMF staff calculations.

FIGURE 2.6.
**DIRECT CAPACITY DEVELOPMENT DELIVERY BY**
**TOPIC**
**FY 2025**
***(Percent of total)***

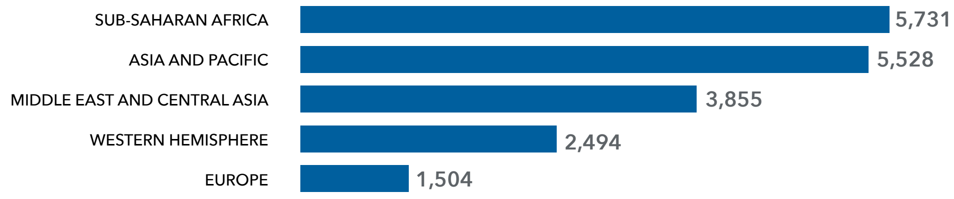



Sources: IMF, Capacity Development Management and Administration Program; and IMF staff calculations.

FIGURE 2.7.

## TRAINING

**PARTICIPATION BY PARTICIPANTS' REGION OF ORIGIN**
**FY 2025**
***(Number of participants)***




Sources: IMF, Participant and Applicant Tracking System; and IMF staff calculations.

Note: Preliminary data. Most IMF training falls under the Institute for Capacity Development (ICD) training program, which includes training coordinated by ICD and delivered by ICD and other departments at IMF headquarters and globally at the IMF's regional capacity development centers and in programs for country officials. Training also includes IMF online courses successfully completed by country officials. In addition, training is provided by functional departments or external partners at the regional capacity development centers outside the ICD training program.

FIGURE 2.8.

## TRAINING

**PARTICIPATION BY INCOME GROUP**
**FY 2025**
***(Number of participants)***


Sources: IMF, Participant and Applicant Tracking System; and IMF staff calculations.

Note: Preliminary data. Most IMF training falls under the Institute for Capacity Development (ICD) training program, which includes training coordinated by ICD and delivered by ICD and other departments at IMF headquarters and globally at the IMF's regional capacity development centers and in programs for country officials. Training also includes IMF online courses successfully completed by country officials. In addition, training is provided by functional departments outside the ICD training program.

### Top 10 Partners for IMF Capacity Development

**(Contributions in US dollars over the past three years, FYs 2022–25)**

1. Japan
2. European Union
3. Saudi Arabia
4. Switzerland
5. China
6. France
7. Germany
8. India
9. The Netherlands
10. Kuwait

Note: Based on annualized average signed agreements from FYs 2021–25, including support for regional capacity development centers provided directly by host countries.

### Top 10 Recipients of IMF Capacity Development

**(FY 2025, US dollar spending)**

1. Ukraine
2. Sierra Leone
3. Mauritania
4. Madagascar
5. Sri Lanka
6. Cambodia
7. The Gambia
8. Uzbekistan
9. Ghana
10. Papua New Guinea

Sources: Capacity Development Management and Administration Program and Participant and Applicant Tracking System; and IMF staff calculations.

### Top 10 Recipients by Training Participation

**(FY 2025, participant weeks)**

1. India
2. Bangladesh
3. Cameroon
4. Philippines
5. Sri Lanka
6. Nigeria
7. China
8. Nepal
9. Indonesia
10. Cambodia

Sources: Preliminary data. IMF, Participant and Applicant Tracking System; and IMF staff calculations.

Note: Participant weeks = number of participants times course duration.

## Table 2.4. Thematic and country funds for IMF capacity development

*(As of April 30, 2025)*

| Name | Partners |
|---|---|
| **Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)** | Canada, France, Germany, Italy, Japan, Korea, Luxembourg, The Netherlands, Qatar, Saudi Arabia, Switzerland, United Kingdom |
| **COVID-19 Crisis Capacity Development Initiative** | Belgium, Canada, China, Germany, Japan, Korea, Singapore, Spain, Switzerland |
| **Data for Decisions (D4D) Fund** | China, European Union, Germany, Japan, Korea, Luxembourg, The Netherlands, Norway, Saudi Arabia, Switzerland |
| **Debt Management Facility (DMF) (jointly with the World Bank)** | African Development Bank, Austria, Canada, European Union, France, Germany, Japan, The Netherlands, Norway, Switzerland, United Kingdom, United States |
| **Financial Sector Stability Fund (FSSF)** | China, European Investment Bank, Germany, Italy, Korea, Luxembourg, Saudi Arabia, Sweden, Switzerland, United Kingdom |
| **Global Public Finance Partnership (GPFP)** | Belgium, China, Demark, European Union, France, Germany, Japan, Luxembourg, The Netherlands, Saudi Arabia, Sweden, Switzerland, United Kingdom |
| **Managing Natural Resource Wealth (MNRW)** | Australia, European Union, The Netherlands, Norway, Switzerland, United Kingdom |
| **Revenue Mobilization Thematic Fund (RMTF)** | Australia, Belgium, Denmark, European Union, France, Germany, Japan, Korea, Luxembourg, The Netherlands, Norway, Sweden, Switzerland, United Kingdom |
| **Somalia Country Fund** | Canada, European Union, Italy, Saudi Arabia, Sweden, United Kingdom |
| **Tax Administration Diagnostic Assessment Tool (TADAT)** | European Union, France, Germany, Japan, The Netherlands, Norway, Switzerland, United Kingdom |
| **Ukraine Capacity Development Fund** | Canada, European Union, Finland, Ireland, Japan, Latvia, Lithuania, The Netherlands, Poland, Slovak Republic, Switzerland |

Source: IMF, Institute for Capacity Development.

Note: Partners represent signed agreements, donor-approved allocations, and phase rollovers as of April 30, 2025.

## Table 2.5. IMF regional capacity development centers

*(As of April 30, 2025)*

| Name | Partners | Member Countries |
|---|---|---|
| **Africa Training Institute (ATI)** | China, European Investment Bank, European Union, Germany, Mauritius (host), Saudi Arabia | 45 countries in sub-Saharan Africa are eligible for training |
| **AFRITAC Central (AFC)** | Belgium, China, European Union, France, Gabon (host), Germany | Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Republic of Congo, Equatorial Guinea, Gabon, São Tomé and Príncipe |
| **AFRITAC East (AFE)** | China, European Union, Germany, The Netherlands, Norway, Saudi Arabia, Switzerland, Tanzania (host), United Kingdom | Eritrea, Ethiopia, Kenya, Malawi, Rwanda, South Sudan, Tanzania, Uganda |
| **AFRITAC South (AFS)** | China, European Union, Germany, Mauritius (host), Saudi Arabia, Switzerland, United Kingdom | Angola, Botswana, Comoros, Eswatini, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia, Zimbabwe |
| **AFRITAC West (AFW)** | Belgium, China, Côte d'Ivoire (host), European Union, France, Germany, Luxembourg, The Netherlands, Norway, Saudi Arabia, Switzerland | Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Togo |
| **AFRITAC West 2 (AFW2)** | China, European Union, Germany, Ghana (host), Saudi Arabia, Switzerland, United Kingdom | Cabo Verde, The Gambia, Ghana, Liberia, Nigeria, Sierra Leone |
| **Caribbean Regional Technical Assistance Center (CARTAC)** | Barbados (host), Canada, Caribbean Development Bank, China, Eastern Caribbean Central Bank, European Union, The Netherlands, United Kingdom, United States | Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Sint Maarten, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands |
| **Caucasus, Central Asia, and Mongolia Regional Capacity Development Center (CCAMTAC)** | Asian Development Bank, China, European Union, Kazakhstan (host), Korea, Poland, Russia, Switzerland, United States | Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, Uzbekistan |

Source: IMF, Institute for Capacity Development.

Note: The IMF also delivers courses through regional training programs and at its headquarters in Washington, DC. Partners represent signed agreements, donor-approved allocations, and phase rollovers as of April 30, 2025.

| Name | Partners | Member Countries |
|---|---|---|
| **Central America, Panama, and the Dominican Republic Regional Technical Assistance Center (CAPTAC-DR)** | Canada, Central American Bank for Economic Integration, Colombia, European Union, Guatemala (host), Luxembourg, Mexico, Norway, Spain | Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Panama |
| **China-IMF Capacity Development Center (CICDC)** | China (host) | China and a range of other countries are eligible for training. |
| **IMF Capacity Development Office in Thailand (CDOT)** | Japan, Thailand (host) | Core beneficiary countries: Cambodia, Lao P.D.R., Myanmar, Vietnam; selected projects based in CDOT also cover other countries in Southeast Asia and in the Pacific island region |
| **IMF-Singapore Regional Training Institute (STI)** | Japan, Singapore (host) | 38 countries in the Asia and Pacific region are eligible for training. |
| **Joint Vienna Institute (JVI)** | Austria (primary member and host) and international partners/ donors | 31 countries (30 in central, eastern, and southeastern Europe, the Caucasus, and central Asia, as well as Iran) are eligible for training. |
| **Middle East Center for Economics and Finance (CEF)** | Kuwait (host) | Arab League member countries are eligible for training. |
| **Middle East Regional Technical Assistance Center (METAC)** | European Union, France, Germany, The Netherlands, Saudi Arabia, Switzerland | Afghanistan, Algeria, Djibouti, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Sudan, Syria, Tunisia, West Bank and Gaza, Yemen |
| **Pacific Financial Technical Assistance Center (PFTAC)** | Asian Development Bank, Australia, European Union, Fiji (host), Japan, Korea, New Zealand, United Kingdom, United States | Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tokelau, Tonga, Tuvalu, Vanuatu |
| **South Asia Regional Training and Technical Assistance Center (SARTTAC)** | Australia, European Union, India (host), Korea, United Kingdom | Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka |



United States

Managing Director Kristalina Georgieva attends the G7 Africa meeting during the 2024 Annual Meetings of the World Bank Group and International Monetary Fund in Washington, DC.

# THE IMF FOR A STABLE GLOBAL ECONOMIC AND FINANCIAL ORDER

The IMF supports and fosters international collaboration. It engages in initiatives to promote global economic governance, policy coordination, and financial stability. It does this by participating in major international organizations and financial standard-setting bodies, leveraging its expertise to help shape the global financial and economic landscape.

Although not a formal member of the Group of Twenty (G20), the IMF has been its trusted advisor and observer since the organization's inception. Drawing on its core expertise, the Fund contributes to strategic macroeconomic and financial discussions led by finance ministers and central bank governors. It participates in the G20 Finance Track, making regular contributions to the Framework and the International Financial Architecture Working Groups.

The Framework Working Group deals with a range of macroeconomic policy issues, including the global outlook and policies to achieve strong, sustainable, balanced, and inclusive growth; the International Financial Architecture Working Group engages with other topics central to the IMF's mandate, including capital flows, debt vulnerabilities, global economic governance, the international monetary system, the global financial safety net, cross-border payments, and financial innovations.

In the context of the G20, the IMF is a member of the G20 Data Gaps Initiative, whose members collaborate to address data deficiencies and improve the quality and availability of economic and financial data.


French economist Laurence Tubiana, Managing Director Kristalina Georgieva, and Brazilian Finance Minister Fernando Haddad at the G20 Event during the 2024 Spring Meetings of the World Bank Group and International Monetary Fund in Washington, DC.

The IMF also leverages its expertise in the Group of Seven Finance Track, where it provides analytical support, policy recommendations, and updates on global macroeconomic and financial developments, including country cases.

The IMF management and staff are pivotal in ensuring that the organization's insights help shape discussions on pressing economic challenges at gatherings of the world's largest economies. The IMF's Managing Director is a member of the UN Chief Executives Board,and staff members participate in international plenary meetings, committees, and working groups, including the Financial Stability Board and sectoral standard setting institutions such as the Basel Committee on Banking Supervision.

Through these engagements, the IMF represents the interests of its diverse membership, including countries that may not have direct representation in global financial regulatory discussions. It contributes to policy development in banking, insurance, securities regulation, and financial reporting standards, ensuring that emerging market economies' perspectives are considered in global regulatory frameworks.

Tangible examples of the IMF's work in fostering multilateral collaboration include its analysis of the global growth outlook and associated policy recommendations; its addressing of debt vulnerabilities; and its work in strengthening the global financial safety net, enhancing cross-border payment systems, and discussing risks associated with financial innovation.

Through its extensive participation in international forums, regulatory bodies, and policy initiatives, the IMF plays a vital role in strengthening global economic cooperation. Its contributions ensure that macroeconomic stability, financial regulation, and sustainable development remain at the forefront of global economic governance.

# WHO WE ARE


United States

Joerg Stephan
Vitas Vasiliaukas
Gina Fitzgerald
PKG Harischandra
Regis N'Sonde
Seong-Wook Kim
Patryk Łoszewski
Shannon Ding
Ouattara Wautabouna
Zhengxin Zhang
Ksenia Yudaeva
Yati Kurniati
Mohamed Alrashed

Jun Mizuguchi | Mohamed Maait | Xiana Méndez Bertolo | Leonardo Madcur | Yigit Korkmaz Yaşar | Arnaud Fernand Buissé | Adriano Ubisse | Bahador Bijani | Veda Poon | Riccardo Ercoli | André Roncaglia | Jeroen Clicq

# EXECUTIVE DIRECTORS

As of April 30, 2025

The Executive Board (the Board) is responsible for conducting the IMF's day-to-day business. It is composed of 25 Executive Directors, who are elected by member countries or by groups of countries, and the Managing Director, who serves as its Chair.

IMF member countries are represented on the Board, which discusses the national, regional, and global consequences of each member's economic policies and approves IMF financing to help member countries address temporary balance of payments problems, as well as overseeing the IMF's capacity development efforts.

United States

## MANAGEMENT TEAM

The IMF has a Managing Director, who is head of the staff and Chair of the Executive Board. The Managing Director is assisted by a First Deputy Managing Director and three other Deputy Managing Directors.

First Deputy Managing Director
**GITA GOPINATH**

Deputy Managing Director
**KENJI OKAMURA**

Managing Director
**KRISTALINA GEORGIEVA**

Deputy Managing Director
**NIGEL CLARKE**

Deputy Managing Director
**BO LI**

United States

## EXECUTIVE DIRECTORS AND ALTERNATES

As of April 30, 2025

| | |
|---|---|
| **Mohamed Alrashed**<br>Fahad Aljawini | Saudi Arabia |
| **Bahador Bijani**<br>Mohammed El Qorchi | Algeria, Ghana, Iran, Libya, Morocco, Pakistan, Tunisia |
| **Arnaud Fernand Buissé**<br>Paul-Simon Benac | France |
| **Jeroen Clicq**<br>Vladyslav Rashkovan<br>Marnix van Rij | Andorra, Armenia, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, Luxembourg, Moldova, Montenegro, The Netherlands, North Macedonia, Romania, Ukraine |
| **Riccardo Ercoli**<br>Michael Massourakis | Albania, Greece, Italy, Malta, Portugal, San Marino |
| **Seong-Wook Kim**<br>Mark Blackmore<br>Nghi Luu | Australia, Kiribati, Korea, Marshall Islands, Micronesia, Mongolia, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, Seychelles, Solomon Islands, Tuvalu, Vanuatu |
| **Yati Kurniati**<br>Kaweevudh Sumawong | Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao P.D.R., Malaysia, Nepal, Philippines, Singapore, Thailand, Tonga, Vietnam |
| **Patryk Łoszewski**<br>Christoph Baumann-Kesten | Azerbaijan, Kazakhstan, Kyrgyz Republic, Liechtenstein, Poland, Serbia, Switzerland, Tajikistan, Turkmenistan, Uzbekistan |
| **Mohamed Maait**<br>Ali Alhosani | Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Maldives, Oman, Qatar, Somalia, United Arab Emirates, Yemen |
| **Leonardo Madcur**<br>Óscar A. Hendrick | Argentina, Bolivia, Chile, Paraguay, Peru, Uruguay |
| **Xiana Méndez Bertolo**<br>Daniel Munevar Sastre<br>Gerardo Zuniga Villasenor | Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Spain |
| **Jun Mizuguchi**<br>Shuntaro Hara | Japan |
| **Regis N'Sonde**<br>Mbuyamu Matungulu | Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Kenya, Rwanda, São Tomé and Príncipe, South Sudan, Sudan, Uganda |
| **Veda Poon**<br>Matt Trott | United Kingdom |
| **André Roncaglia**<br>Bernardo Acosta<br>Felipe Antunes | Brazil, Cabo Verde, Dominican Republic, Ecuador, Guyana, Haiti, Nicaragua, Panama, Suriname, Timor-Leste, Trinidad and Tobago |
| **Joerg Stephan**<br>Ludger Wocken | Germany |
| **Krishnamurthy V. Subramanian**<br>PKG Harischandra | Bangladesh, Bhutan, India, Sri Lanka |
| **Adriano Ubisse**<br>Pedro Silva<br>Vuyelwa Vumendlini | Angola, Botswana, Comoros, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Tanzania, Zambia, Zimbabwe |
| **Vacant**<br>Gina Fitzgerald | Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines |
| **Vacant**<br>Vacant | United States |
| **Vitas Vasiliauskas**<br>Ingrid Solberg | Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden |
| **Ouattara Wautabouna**<br>Oumar Diakite<br>Afolabi Olowookere | Benin, Burkina Faso, Côte d'Ivoire, The Gambia, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo |
| **Yigit Korkmaz Yaşar**<br>Christian Just<br>Daniel Palotai | Austria, Belarus, Czech Republic, Hungary, Kosovo, Slovak Republic, Slovenia, Türkiye |
| **Ksenia Yudaeva**<br>Sergey Potapov | Russia, Syria |
| **Zhengxin Zhang**<br>Ming Ai | China |

# IMF SENIOR OFFICIALS

As of April 30, 2025

| | |
|---|---|
| **Area Departments** | |
| Abebe Selassie | Director, African Department |
| Krishna Srinivasan | Director, Asia and Pacific Department |
| Alfred Kammer | Director, European Department |
| Jihad Azour | Director, Middle East and Central Asia Department |
| Rodrigo Valdés | Director, Western Hemisphere Department |
| **Functional Departments** | |
| Julie Ann Kozack | Director, Communications Department |
| Bernard Lauwers | Director, Finance Department |
| Vitor Gaspar | Director, Fiscal Affairs Department |
| Dominique Desruelle | Director, Institute for Capacity Development |
| Yan Liu | General Counsel and Director, Legal Department |
| Tobias Adrian | Financial Counsellor and Director, Monetary and Capital Markets Department |
| Pierre-Olivier Gourinchas | Economic Counsellor and Director, Research Department |
| Albert Kroese | Chief Statistician and Data Officer and Director, Statistics Department |
| Ceyla Pazarbasioglu | Director, Strategy, Policy, and Review Department |
| **Information and Liaison Offices** | |
| Akihiko Yoshida | Director, Regional Office for Asia and Pacific |
| Robert Powell | Special Representative to the United Nations |
| James John | Director, Offices in Europe |
| **Support Services Departments** | |
| Brian Christensen | Director, Corporate Services and Facilities Department |
| Catriona Purfield | Director, Human Resources Department |
| Shirin Hamid | Chief Information Officer and Director, Information Technology Department |
| Ceda Ogada | Secretary of the Fund, Secretary's Department |
| **Offices** | |
| Michele Shannon | Director, Office of Budget and Planning |
| Pablo Moreno | Director, Independent Evaluation Office |
| Ashlene van der Colff | Director, Office of Internal Audit |
| Derek Bills | Head, Investment Office |
| Romy Bowers | Director, Office of Risk Management |
| Camilla Andersen | Head, Office of Transformation Management |


# RESOURCES

United States

## BUDGET

In April 2024, the Executive Board approved the FY 2025 net administrative budget of $1,501 million in FY 2025$, with indicative budgets for FY 2026 and FY 2027. Overall resources for departments increased modestly, as the final tranche of a three-year augmentation in FY 2025 was roughly matched by the continued unwinding of temporary resources.

The gross administrative budget envelope was $1,925 million in FY 2025$, including $276 million in external reimbursements for capacity development activities. The gross budget also included $83 million in Fund-financed carryforward of unused resources from previous years and $8 million externally financed carryforward. A capital budget of $122 million was approved for use over three years to support facilities-related and IT-intensive capital projects and related cloud-based licensing costs.

Actual administrative expenditures in FY 2025 totaled $1,451 million in FY 2025 dollars, or 96.7 percent of the approved net budget and 97.5 percent for the general budget, excluding the Office of the Executive Director and the Independent Evaluation Office. Capital spending rose by 15 percent compared to FY24 to $127.3 million. The change was mainly driven by a step up in facilities-related investment to $62 million, reflecting investment in updates to HQ workspace, field offices, and lifecycle projects for the HQ buildings. IT intensive spending also rose to $65.3 million ($43.5 million in direct costs and $21.8 million in cloud-related costs). This included investments in cybersecurity and AI, upgrades of network equipment and devices, and new investments such as optimization of CD partner engagement, IT strategic portfolio management, and a data science platform.

The FY 2025–27 budget reflected continued complexity in global economic developments, driving heavy demands. The IMF continues to play a critical role in (1) helping members safeguard macroeconomic stability, rebuild buffers, and promote growth-oriented reforms and (2) bolstering international cooperation to strengthen the global financial safety net and debt architecture and to support ongoing structural transitions requiring joint action. The FY 2025–27 budget continued to be guided by principles of agility and budget discipline, reinforced by ongoing reprioritization and savings capture. It also built on strong cooperation with other institutions, ensuring it continues to focus on areas

## Table 3.1. Administrative and capital budget envelopes, fiscal years 2024–26

*(Millions of US dollars, unless noted otherwise)*

| | FY 2024 | | FY 2025 | | | FY 2026 | |
|---|---|---|---|---|---|---|---|
| | Total Budget | Outturn | Structural | Total Budget | Outturn | Structural | Total Budget |
| **Gross Fund Financed** | **1,553** | **1,450** | **1,549** | **1,642** | **1,492** | **1,602** | **1,694** |
| Net administrative budget | 1,411 | 1,410 | 1,501 | 1,501 | 1,451 | 1,552 | 1,552 |
| *of which Cybersecurity top-up* | – | – | – | – | – | – | 8 |
| *of which Annual Meetings* | 7 | – | – | – | – | – | – |
| General Receipts[1] | 44 | 40 | 49 | 49 | 41 | 51 | 51 |
| Carryforward (limit) and other temporary | 98 | – | – | 93 | – | – | 91 |
| **Gross Externally Financed** | **257** | **216** | **276** | **283** | **225** | **288** | **296** |
| Receipts (largely CD-related) | 250 | 219 | 276 | 276 | 225 | 288 | 288 |
| Carryforward (limit) | 7 | – | – | 8 | – | – | 8 |
| **Gross Administrative Envelope** | **1,810** | **1,666** | **1,825** | **1,925** | **1,717** | **1,890** | **1,990** |
| **Capital[2]** | **108** | **110** | **122** | **122** | **127** | **133** | **133** |
| Facilities | 47 | 49 | 51 | 51 | 62 | 61 | 62 |
| HQ2 refresh | – | – | 3 | 3 | 0 | 0 | 0 |
| IT intensive–direct | 41 | 42 | 45 | 45 | 43 | 45 | 45 |
| IT intensive–cloud capital equivalent | 20 | 19 | 23 | 23 | 22 | 26 | 26 |
| *Memorandum items:* | | | | | | | |
| Carryforward | 87 | – | – | 79 | – | – | 73 |

Source: IMF, Office of Budget and Planning. Note: Figures may not add to totals due to rounding. CD = capacity development.

[1] Excludes externally financed receipts.

[2] Reflects three-year funding availability.

within the IMF's mandate, even as it addresses new demands. Work to strengthen internal operations continued, focusing on both efficiency and effectiveness in meeting changing needs, where rapid technological changes are underway.

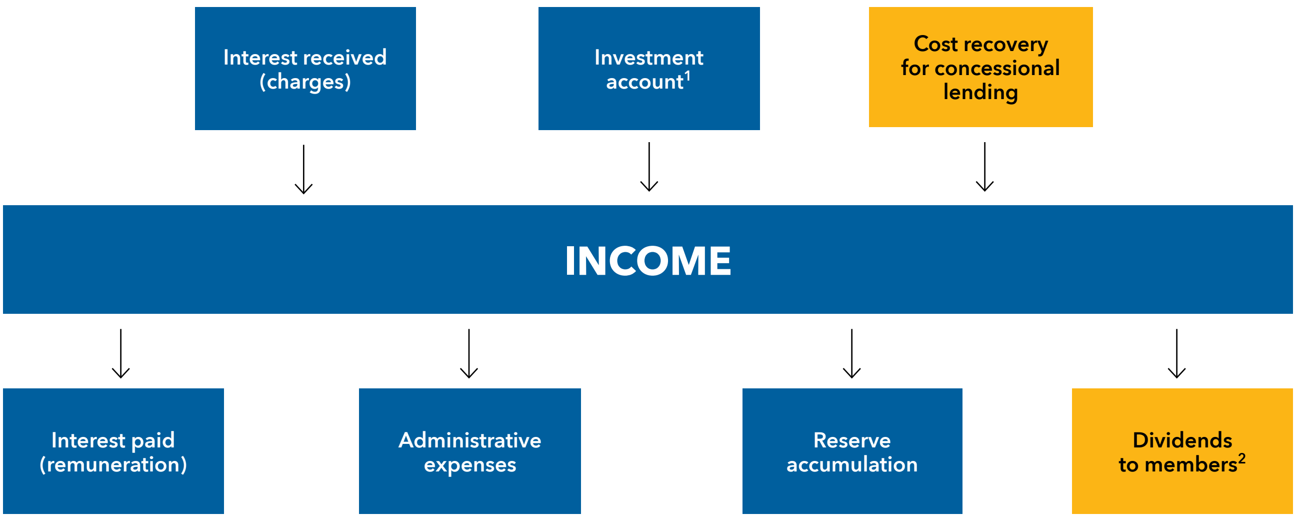
In April of 2025, the Executive Board authorized a net administrative budget for FY 2026 of \$1,552 million (\$1,508 million in FY 2025 dollars). Notwithstanding a modest structural top-up to supplement critical cybersecurity-related needs, overall net resourcing for departments will decline slightly, given ongoing unwinding of temporary pandemic-era resources.

## INCOME MODEL, CHARGES, REMUNERATION, BURDEN SHARING, AND TOTAL COMPREHENSIVE INCOME

### Income Model

The IMF generates income primarily through its lending and investing activities (Figure 3.1). Lending income is derived from the fees and charges levied on the use of credit from the General Resources Account, including service charges, and commitment fees. In addition, the use of IMF credit is subject to surcharges under certain circumstances, as noted in Part 2, and special

### Figure 3.1. IMF income model




Source: IMF, Finance Department.

Note: Areas shaded in orange represent elements added to the income model in 2008. The 2008 income model envisioned that if the IMF's precautionary balances are considered to be fully adequate, it would be appropriate for the Executive Board to consider making dividend payments to members.

[1] The Executive Board approved an initial payout of $200 million to be transferred to the General Resources Account (GRA) to meet administrative expenses. In line with the constant real payout rule, the dollar value of future payouts will be increased based on the US consumer price index each year.

[2] As of April 30, 2025, the membership had not adopted the dividend policy. Meanwhile, in October 2024, the Executive Board agreed on a distribution framework for GRA resources to facilitate the generation of additional Poverty Reduction and Growth Trust (PRGT) subsidy resources and to support a self-sustained PRGT annual lending capacity of SDR 2.7 billion. The distribution framework consists of (1) a multiyear distribution plan for a maximum cumulative amount of SDR 6.9 billion from GRA resources, to be achieved through annual distribution decisions; and (2) the establishment of a new administered account, the Interim Placement Administered Account, to hold such placements. Starting in FY 2025, annual amounts were determined either as the disposition of GRA net income of the relevant financial year and/or a reduction of the IMF's general reserves.

charges in certain circumstances. The IMF's income model also relies on investment income generated from assets in the Fixed-Income and Endowment Subaccounts of the IMF's Investment Account. Given the public nature of the funds, the IMF's investment policy includes, among other things, careful assessment of acceptable levels of risk, as well as safeguards to minimize actual or perceived conflicts of interest. The investment strategy was reviewed and approved by the Executive Board in January 2022.

#### Charges

Reflecting high levels of lending activity, charges levied on outstanding credit continue to be the IMF's main source of income. The basic rate of charge on IMF financing comprises the SDR interest rate plus a fixed margin expressed in basis points.

The IMF also levies surcharges on large amounts of credit that exceed a defined threshold relative to a member's quota (level-based surcharges), and they are higher when this threshold has been exceeded for a defined period of time (time-based surcharges) (Table 2.1).

In October 2024, in the context of the review of charges and the surcharge policy, the Executive Board agreed to reduce the rate of charge from 100 basis points to 60 basis points over the SDR interest rate for the remaining period of FY 2025 from November 1, 2025, and FY 2026. In April 2025, the Executive


Board agreed to keep the margin at 60 basis points for FY 2026 as there were no fundamental changes to warrant any adjustment to the margin.

In addition to charges and surcharges, the IMF levies service charges, commitment fees, and special charges. A service charge of 0.5 percent is levied on each drawing from the GRA. A commitment fee is charged at the beginning of each 12-month period on amounts available for purchase under GRA arrangements during that period. The fee is refundable (except in the case of arrangements under the Short-Term Liquidity Line, for which the fee is nonrefundable) once a purchase under the arrangement during the period covered by the fee takes place. The IMF also levies special charges on overdue repurchases or repayments, but only for the first six months a member is in arrears.

**Remuneration and Interest on Borrowing**

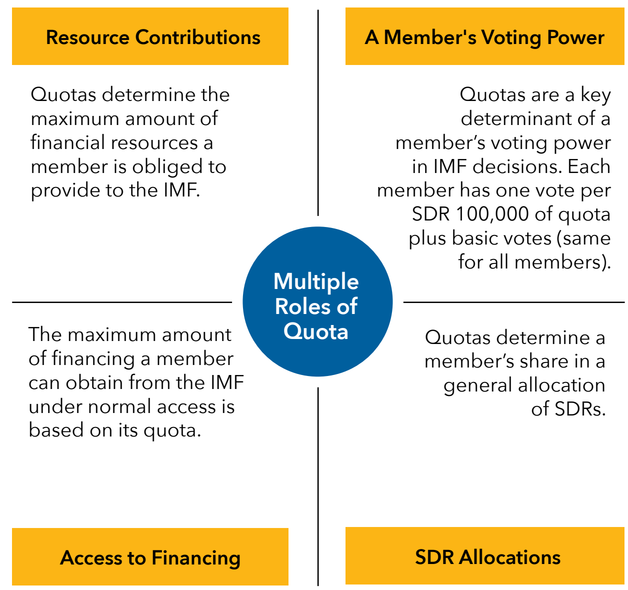
On the expenditure side, the IMF pays interest (remuneration) to members on their creditor positions in the GRA (known as "remunerated reserve tranche positions"). The current rate of remuneration is equal to the SDR interest rate. The IMF also pays interest at the SDR interest rate on any outstanding borrowing under the New Arrangements to Borrow (see "Financing").

**Burden Sharing**

The rates of charge and remuneration can be adjusted under a burden-sharing mechanism that distributes the cost of overdue financial obligations equally between debtor and creditor members.

**Net Income Distribution and Total Comprehensive Income**

GRA net income for FY 2025 amounted to SDR 2.3 billion ($3.1 billion), before the net income distribution decision and related transfer of SDR 1.38 billion ($1.81billion) from GRA resources into the Interim Placement Administered Account (IPAA) established in October 2024. Net Income reflects mainly income from strong lending activity and investment income, including a portion of the income from the Fixed-Income Subaccount and an initial Endowment Subaccount payout of $200 million to be transferred to the GRA to meet administrative expenses. The IMF's




total comprehensive income for FY 2025, including retained income in the Investment Account was SDR 0.7 billion ($0.9 billion) and the pension-related remeasurement gain of SDR 0.3 billion ($0.4 billion) stemming from the remeasurement of the assets and liabilities of the IMF's employee benefit plans, in accordance with International Financial Reporting Standards (International Accounting Standard 19, "Employee Benefits"), was SDR 3.3 billion ($4.4 billion).

### Financing

The IMF makes resources available to its members through four channels: regular (non-concessional) lending from the GRA, concessional lending from the Poverty Reduction and Growth Trust, and longer-term lending to support structural reforms from the Resilience and Sustainability Trust (all discussed in Part 2), as well as via the SDR Department, through which its participants can exchange their SDR holdings for freely usable currencies.

### Quotas: Where the IMF Gets Its Money

The IMF's 191 member countries provide resources for loans primarily through their payment of quotas, which, together with basic votes, also determine their voting power. Multilateral borrowing and bilateral borrowing arrangements serve as second and third lines of defense in times of crisis. These resources give the IMF access to about $1 trillion in non-concessional lending firepower to support members. Concessional lending, affordable long-term financing for longer-term structural challenges, and debt relief for low-income countries are financed through separate contribution-based trust funds.

Each member is assigned a quota based broadly on its position in the world economy. IMF quotas total SDR 476 billion (about $646 billion).[1] The value of the SDR, the IMF's unit of account, is based on a basket of currencies (see "Special Drawing Rights" section).

The Articles of Agreement provide for periodic reviews of members' quotas. The Board of Governors is required, at intervals of not more than five years, to conduct a General Review of Quotas and to propose any adjustments it believes appropriate. The two main issues addressed in a general review are the size of an overall quota increase and the distribution of the increase among the members. First, a general quota review allows the IMF to assess the adequacy of quotas both in terms of members' balance of payments financing needs and in terms of the IMF's own ability to help meet those needs. Second, a general review allows for increases in members' quota to reflect changes in their relative positions in the world economy. The Board of Governors may also, at any other time, approve adjustments to the quotas of individual members at their request.

The process for all quota adjustments involves first a decision by the Executive Board, which requires

[1] Two member countries, Eritrea and Syria, have not yet consented to their proposed quota increases under the 14th General Review of Quotas. Once these countries consent to, and pay for, their respective quota increases, IMF quotas will total SDR 477 billion.

a majority of votes cast. The Executive Board's proposal is then conveyed to the Board of Governors for a vote. Approval by the Board of Governors requires a supermajority of 85 percent of total voting power. The Board of Governors Resolutions may also contain additional effectiveness conditions for the quota adjustment, such as minimum threshold of consents by individual members to their respective quota increases. Finally, a member must consent to and pay for its individual quota increase for its new quota to become effective.

General reviews do not always result in quota increases. Seven reviews concluded that no increase in overall quotas was needed. In the other nine reviews, the overall quota increases ranged from 31 percent to 100 percent. Quota increases during general reviews have comprised one or more of three possible elements: (1) an equal proportional element distributed to all members according to their existing quota shares, (2) a selective element distributed to all members in accordance with the quota formula, and (3) an ad hoc element distributed to a subset of members according to agreed criteria.[2]

On November 7, 2023, the Executive Board proposed to the Board of Governors a 50 percent increase allocated to members in proportion to their current quotas (that is, an equally proportional quota increase). On December 15, 2023, the Board of Governors concluded the Sixteenth General Review of Quotas (16th Review) and approved the proposed 50 percent increase of IMF members' quotas (SDR 238.6 billion, or $323.6 billion), which will bring total quotas to SDR 715.7 billion ($970.6 billion).

When the quota increase becomes effective, borrowed resources comprising the New Arrangements to Borrow (NAB) will be reduced and the Bilateral Borrowing Agreements will be phased out. The resolution sets two general effectiveness conditions for the quota increases under the 16th Review:

- The *first condition* is that no quota increase under the 16th Review can become effective unless members having not less than 85 percent of total quotas on November 7, 2023, have consented in writing to the increases in their quotas. The resolution set the deadline for the IMF to receive members' consents as November 15, 2024, and provided that the Executive Board may extend this deadline as it may determine.
- The *second condition* is that no quota increase under the 16th Review can become effective unless participants in the NAB have provided the consents necessary for the effectiveness of the NAB rollback.

Once these general effectiveness conditions are met, a member's quota increase will be in effect once that member has consented to, and paid for, its quota increase. On November 8, 2024, the Executive Board extended the deadline for the IMF to receive members' consents to the increases in their quotas under the 16th Review to May 15, 2025.[3]

When implemented, the increase in quotas will strengthen the quota-based nature of the IMF by reducing reliance on borrowing. The changes in the composition of lending capacity will ensure the primary role of quotas in the IMF's lending capacity to help safeguard global financial stability and respond to members' needs in an uncertain and shock-prone world.

[2] For further details, see *IMF Financial Operations*, Chapter 2.

[3] On May 9, 2025, the Executive Board approved another six-month extension of the period to consent to the quota increase and to the New Arrangements to Borrow (NAB) rollback under the Sixteenth General Review of Quotas (GRQ), through November 15, 2025. The extension also extends the period of consent for quota increases under the 14th GRQ. The previous deadline was due to expire May 15, 2025.


## Quota Payments

The conditions for implementing the doubling of quotas approved under the 14th General Review from about SDR 238.5 billion (about $323.4 billion) to SDR 477 billion (about $647 billion) were met on January 26, 2016. As of April 30, 2025, all but two IMF members had made their quota payments, accounting for more than 99 percent of the total quota increases, and total quotas stood at SDR 476 billion (about $646 billion).

## Borrowing by the IMF

As noted, the IMF is a quota-based institution. However, borrowed resources continue to play a key role in supplementing quota resources through the New Arrangements to Borrow and the bilateral borrowing agreements (BBAs), serving, respectively, as a second and third line of defense after quotas.

The NAB is a set of credit arrangements with 40 participants, currently contributing an aggregate amount of SDR 364 billion. Once the 16th Review takes effect, the aggregate size of the NAB will be reduced to about SDR 303 billion. The current NAB period is set through the end of 2025. Renewal of the NAB for a new five-year period from January 1, 2026, through December 31, 2030, was approved by the Board on a lapse-of-time basis in July 2024. NAB resources can be activated when the IMF's resources need to be supplemented to forestall or cope with an impairment of the international monetary system. Activation requires the consent of participants contributing at least 85 percent of the amount contributed under total credit arrangements of participants eligible to vote. The NAB was activated 10 times between April 2011 and February 2016, the most recent activation.

As noted, BBAs are intended to serve as a third line of defense after quotas and the NAB. The current (2020) round of BBAs has been in effect since January 1, 2021, with an initial term through December 31, 2023. Following an Executive Board decision in May 2023 and subsequent consent from BBA creditors, their terms were extended by one year until December 31, 2024. In the context of the 16th Review, in March 2024, the Executive Board approved, subject to creditor consent, a framework for amending, and thereby extending, the BBAs beyond the end of 2024 to serve as transitional arrangements for maintaining the IMF's lending capacity until the 16th Review quota increase become effective. As of April 30, 2025, 35 BBAs had been extended beyond the end of 2024, providing the IMF with a total credit amount equivalent to about SDR 118.5 billion. Resources under BBAs can be activated only if the amount of IMF resources otherwise available for financing has fallen below a threshold of SDR 100 billion and either the NAB has been activated or there are no available uncommitted NAB resources. Activation of BBAs requires approval by bilateral creditors representing 85 percent of the total credit amount committed.

**Special Drawing Rights**

The SDR is an international reserve asset the IMF created in 1969 to supplement its member countries' official reserves. It serves as the unit of accounts of the IMF and some other international organizations. The SDR is neither a currency nor a claim on the IMF. Rather, it is a potential claim on the freely usable currencies of IMF members. IMF members that are participants in the SDR Department (currently all members) may exchange SDRs for freely usable currencies.

The SDR's value is currently based on a basket of five currencies: the US dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound. The currencies included are reviewed periodically; the most recent review of the valuation of the SDR basket was concluded in May 2022, and the updated basket went into effect August 1, 2022.

As of April 30, 2025, a total of SDR 660.7 billion (equivalent to about $896 billion) had been allocated to members, including through the August 2021 allocation of SDR 456.5 billion (equivalent to about $650 billion)—the largest allocation in history—in the context of the COVID-19 pandemic.

To amplify the benefits of this allocation, the IMF encouraged voluntary channeling of SDRs from countries with strong external positions to countries most in need. Consistent with this recommendation, several members have channeled SDRs to support the finances of the PRGT and the RST. On May 10, 2024, the IMF's Executive Board approved the use of SDRs for the acquisition of hybrid capital instruments issued by prescribed holders. This new use of SDRs is subject to an overall cumulative limit of SDR 15 billion to minimize liquidity risk in the SDR market. The authorization provides members with the possibility of using SDRs in the acquisition of hybrid capital instruments issued by prescribed holders—for example, multilateral development banks. The new authorized operation adds to the seven previously authorized operations, which are (1) the settlement of financial obligations, (2) loans, (3) pledges, (4) transfers as a security for performance of financial obligations, (5) swaps, (6) forward operations, and (7) donations.

**Arrears to the IMF**

Since June 2021, when Sudan cleared its arrears to the IMF, the IMF has had no remaining cases of protracted arrears. To prevent and resolve arrears, the IMF has in place a strengthened cooperative strategy on arrears. This strategy consists of three elements: prevention, intensified collaboration, and remedial measures. Prevention is the first line of defense against the emergence of new cases of arrears and includes, among other things, IMF surveillance of members' economic policies, policy conditionality attached to the use of IMF resources, assessment of members' capacity to repay, safeguards assessments of central banks of members receiving IMF resources, and technical assistance by the IMF. Intensified collaboration includes staff-monitored programs to help members in arrears establish a track record on policies and payments, leading to eventual clearance of arrears to the IMF. Last, remedial measures are applied—using an escalating timetable—to members with overdue financial obligations that do not actively cooperate with the IMF to resolve their arrears problems.

# ACCOUNTABILITY AND TRANSPARENCY

The IMF is accountable to its 191 member countries and has a system of checks and balances to ensure accountability—ranging from internal and external audits to risk management and evaluations of its policies and operations. Similarly, the IMF staff is expected to observe the highest ethical and workplace standards of conduct.

United States

# COMMITTEES OF THE EXECUTIVE BOARD

The general purpose of the Board committees is to examine the issues under their purview in greater detail and forward to the full Board matters requiring further discussion. Board committees are not decision-making bodies; only the full Board has decision-making authority. Board committees are reconstituted every two years following the regular election cycle for Executive Directors. The composition of committee members takes into account geographic and gender balance; a need for rotation, with some continuity; and maintenance of a reasonable distribution of the burden of committee work among Executive Directors. Executive Directors may participate in all meetings of the Executive Board's committees, except the Ethics Committee, whose meetings are restricted to members and the permanent secretary of the committee. There are currently seven committees of the Executive Board and one Working Group on Gender Diversity.

**Committee on Agenda and Board Procedures (APC):** Recommends ways to support the development and orderly implementation of an effective management-guided work program and agenda of the Executive Board. The committee promotes such procedures for timely document distribution, the conduct of Board meetings, timing, logistics, and related matters so as to avoid bunching in the Board's schedule, allow for adequate time for preparation by Executive Directors, and enable the efficient use of time spent in Board meetings.


Ghana

**Committee on Executive Board Administrative Matters (CAM):** Considers and reports to the Executive Board for decisions on general aspects of administrative policy relating to the Executive Directors, Alternates, or their Senior Advisors, Advisors, and Administrative Assistants referred to it by the Executive Board or by an Executive Director. Individual cases that involve individual Directors or Alternates or their Senior Advisors, Advisors, or Administrative Assistants with no broader implications are considered and decided by the committee on request of an Executive Director without reference to or consideration by the Executive Board. The committee may consider and make recommendations on the specific administrative policy involved. It may develop, consider, and report to the Executive Board for decisions on budgetary proposals for the aggregate and individual Offices of Executive Directors and carry out related budgetary responsibilities assigned to the committee by the Board.

**Ethics Committee (EC):** Considers matters relating to the Executive Board's Code of Conduct. In addition, if requested by Executive Directors, the committee gives guidance to them on ethical aspects of conduct, including the conduct of their Alternates, Senior Advisors, Advisors, and Administrative Assistants. The Ethics Committee is also responsible for advising on issues that may arise in connection with the application of the standards of ethical conduct to the Managing Director pursuant to the Managing Director's contract.

**Evaluation Committee (EVC):** Follows closely the evaluation function in the IMF and advises the Executive Board on matters relating to evaluations, including those of the Independent Evaluation Office. The committee also reviews the *Annual Report* with ad hoc staff membership.

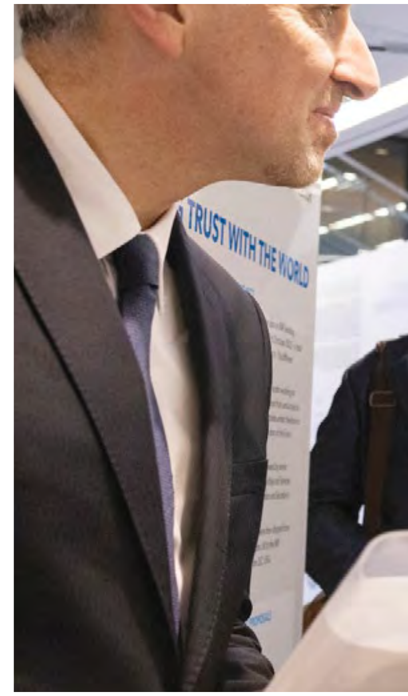
**Committee on Liaison with the World Bank and Other International Organizations (LC):** With a view to promoting greater coherence in the international economic, financial, trade, and development agenda, particularly regarding economic capacity building, the Committee takes stock of developments in the policies and programs of other international


organizations with complementary mandates to that of the IMF, in particular the World Bank and the World Trade Organization. The committee gathers information on, and maintains close liaison with, these institutions as needed, with a view to keeping abreast of evolving developments. It makes recommendations to the Executive Board regarding IMF relations with these organizations, as appropriate.

**Pension Committee (PC):** Decides all matters of a general policy nature arising under the Staff Retirement Plan, and all other matters, including interpretation of the provisions of the plan as required under the provisions of the plan or submitted to it by any committee appointed by it. The members of the committee are the Managing Director, ex officio; four Executive Directors elected biennially by the Executive Directors; one staff member appointed by the Managing Director; and one staff member elected biennially by the participants.

**Ad Hoc Audit Selection Committee (ASC):** This committee is convened to recommend a suitable candidate as a new member of the External Audit Committee, whose staggered three-year appointments leave a vacancy every year. Traditionally, five Executive Directors have comprised the ASC.

**Working Group on Gender Diversity:** Promotes more inclusive, credible, and strengthened decision-making by the Executive Board through enhanced representation of women on the Board, and as Senior Advisors and Advisors in the Offices of the Executive Director. To this end, the working group develops recommendations for the Executive Board on its evolving gender diversity strategy; promotes that strategy within the Board and with the membership; and regularly reports progress toward implementation of the strategy to the Executive Board, for referral to the Board of Governors.




### Checks and Balances

The IMF conducts audits of all its operations. Audit mechanisms are set up to improve governance, transparency, and accountability and include an external audit firm, the independent External Audit Committee, and the Office of Internal Audit (OIA).

The External Audit Committee is independent of the IMF and its Executive Board. The Committee reports to the Board of Governors and has general oversight responsibilities for the annual external audit of the IMF's financial statements and the internal audit framework.

The OIA is an independent assurance and advisory function designed to protect and strengthen the IMF. The OIA's mandate is twofold: (1) to assess the effectiveness of the IMF's governance, risk management, and internal controls; and (2) to act as a consultant for the improvement of the IMF's business processes by advising on best practices. To ensure its independence vis-à-vis IMF departments and offices, the OIA reports directly to the Managing Director and maintains a functional reporting relationship with the External Audit Committee. The OIA's 2025 audit coverage encompassed several key areas, including support for the IMF's modernization programs, administration of the Fund's official social media and public websites, and supervision of the IMf's implementation of the recommendations from the institutional safeguards review.

The OIA also issued its "Fourteenth Periodic Monitoring Report on the Status of Management Implementation Plans in Response to Board-Endorsed Independent Evaluation Office Recommendations." Despite of IMF staff's continued heavy workload, a record number of management actions in response to Board-endorsed IEO recommendations were implemented, and the pace of implementation was the same as reported in the previous periodic monitoring report.

### Precautionary Balances

The IMF's precautionary balances—which consist of adjusted balances in the general and special reserves—are a key element of the institution's multilayered framework for managing financial risk and safeguarding members' resources. Precautionary balances provide a buffer to protect the IMF against potential losses resulting from credit, income, and other financial risks. They help protect the value of reserve assets represented by member countries' positions in the IMF and underpin the exchange of assets through which the IMF provides financial assistance to countries with balance of payments needs. The medium-term precautionary balances target of SDR 25 billion was reached at the end of FY 2024.

United States

**Managing Enterprise Risks**

The Office of Risk Management (ORM) carries out a centralized risk management function for the IMF. It constitutes the second line of defense in the IMF's risk management governance architecture, providing independent risk oversight of departments' enterprise risk assessments to focus on identification and treatments of critical enterprise risks. ORM steers and supports the implementation of the IMF's enterprise risk management framework and the existing risk tolerance statements and risk tolerance levels approved by the Executive Board. It enhances risk-based decision-making at the IMF by providing leadership, awareness, and analysis of enterprise level strategic, business, operational, financial, reputational, environmental, social, and governance risks.

**Learning from Experience**

The Independent Evaluation Office (IEO) conducts objective and independent evaluations based on criteria relevant to the IMF mandate. The IEO is fully independent of the IMF's management team and staff, and operates at arm's length from the Executive Board. Its purpose is to enhance the learning culture within the IMF, strengthen the institution's external credibility, and support the Executive Board's institutional governance and oversight responsibilities. The Fourth External Evaluation of the Independent Evaluation Office concluded in July 2024, reaffirming the IEO's high credibility and rigorous approach in delivering on its mandate. In FY 2025 the IEO completed two evaluations, "The Evolving Application of the IMF's Mandate" and "The IMF's Exceptional Access Policy," and launched three evaluations: "IMF Advice on Fiscal Policy," "The IMF and Climate Change," and "IMF Engagement on Debt Issues in Low-Income Countries." More information about the IEO is available at https://IEO.IMF.org.

### Ethics and Staff Conduct

The IMF has a comprehensive ethics framework. The Ethics Office advises management and the Human Resources Department on the promotion of ethical standards within the IMF and provides information, education, training, and outreach, and confidential advice and guidance to IMF personnel on the rules of conduct. It oversees the Annual Ethical Conduct and Core Values Certification and the Financial Disclosure Program for IMF staff. During FY 2025, the Ethics Office amplified its communications, outreach, and training efforts and was consulted on policy development initiatives, including the IMF's revised policy on gifts and hospitality and the new IMF Anti-Fraud and Anti-Corruption Policy.

The ombudsperson is a confidential, impartial, independent, and informal resource for resolving employment-related problems. The Office of Internal Investigations conducts inquiries and investigations into allegations of misconduct, including breaches of the code of conduct. The IMF Integrity Hotline, administered by an independent third party, is available for anonymous and confidential reporting by staff members or members of the public of suspected misconduct involving IMF employees.

### Engagement with the Public

The IMF meets regularly with political leaders and country authorities and routinely engages with a wide range of private sector representatives, the media, and nongovernment stakeholders such as the academic community, civil society organizations, parliamentarians, labor unions, and youth leaders. Opportunities for such two-way dialogue allow the IMF both to explain its approaches and to learn from others to improve its policy advice.

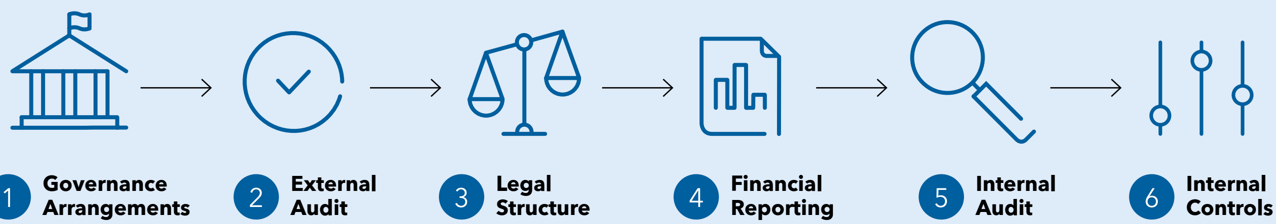
# SAFEGUARDS ASSESSMENTS

**SAFEGUARDS ASSESSMENTS COMPLETED TO DATE**
SEE MORE ONLINE

**When the IMF provides financing to a member country, it carries out a safeguards assessment to establish reasonable assurance that the country's central bank can appropriately manage Fund resources and provide reliable monetary data under an IMF-supported program.**

**At the end of April 2025**
410 Assessments
**had been conducted, covering**
106 Central Banks
**10 in FY 2025, 4 in progress at end of FY 2025**

**THE ASSESSMENTS INVOLVE AN EVALUATION OF CENTRAL BANK OPERATIONS IN SIX AREAS:**




From 2000 to the end of April 2025, 410 assessments were conducted, covering 106 central banks; 10 of these assessments were completed in FY 2025, and 4 were in progress at the end of the financial year.

The IMF also monitors the progress of central banks as they work to improve their safeguards frameworks and implement recommendations issued in assessments. The monitoring continues as long as IMF credit remains outstanding, and about 80 central banks are currently subject to monitoring.

In addition, the IMF conducts fiscal safeguards reviews of state treasuries when a member requests exceptional access to IMF resources whenever a substantial portion of the funds—at least 25 percent—is directed toward financing the state budget, and whenever there is high combined credit exposure with at least 25 percent of resources also directed to budget financing. During FY 2025, two fiscal safeguards reviews were in progress at the end of the financial year.

Safeguards seminars are also as part of outreach activities. During FY 2025, three regional seminars were held and covered leading international practices in the safeguards' framework areas, including emerging risks in central bank operations. As part of the implementation of the 2022 safeguards assessment policy review proposal to conduct regional outreach on governance, two forums were held that focused on topical and unique regional issues. These forums were respectively hosted by the central banks in Ecuador and South Africa. A ninth high-level central bank governance forum in Riyadh covered topics such as digitalization, fintech, central bank autonomy, new internal audit standards, and negative equity positions, among other governance topics. Other outreach activities included participation in several conferences spanning the breadth of the central bank's governance and control framework, known as "GELRIC" framework. These included the International Operational Risk Working Group's 18th Conference in Rome, the IAASB-IESBA (International Auditing and Assurance Standards Board–International Ethics Standards Board for Accountants) Consultative Advisory Group Meeting in New York, the Central Bank Audit Leadership Forum in Canada, and the Eastern Caribbean Currency Union Accountants Workshop in St. Kitts and Nevis, along with a World Gold Council (WGC) Executive Forum workshop in France.

# CORPORATE SOCIAL RESPONSIBILITY

**Environmental sustainability and philanthropic initiatives are at the core of the IMF's corporate social responsibility program.**

United States

Ethiopia

## ENVIRONMENTAL SUSTAINABILITY

The IMF is committed to integrating responsible practices into its operations, guided by its core values and strategic objectives. In 2025, the institution continued to take meaningful steps on environmental sustainability by streamlining processes and adopting practical measures that focused on efficiency, resource conservation, and operational resilience.
Key achievements include the following:

**Energy-Efficient Technologies and Processes.** Use of energy-efficient lighting partially upgraded heating and cooling systems, and adjusted building operations outside core office hours helped largely offset the impact of increased building occupancy on electricity use.

**Waste Reduction and Resources Preservation.** By implementing a food waste reduction program, the institution has conserved nearly 6 million gallons of water and prevented food waste equivalent to approximately 68,000 meals since 2018.

**Procurement for Performance and Efficiency.** Enhancements in procurement practices have aimed at identifying product and service efficiencies. For example, as part of a recent laptop refresh program, the institution selected equipment that consumes nearly one-third less energy than previous models.

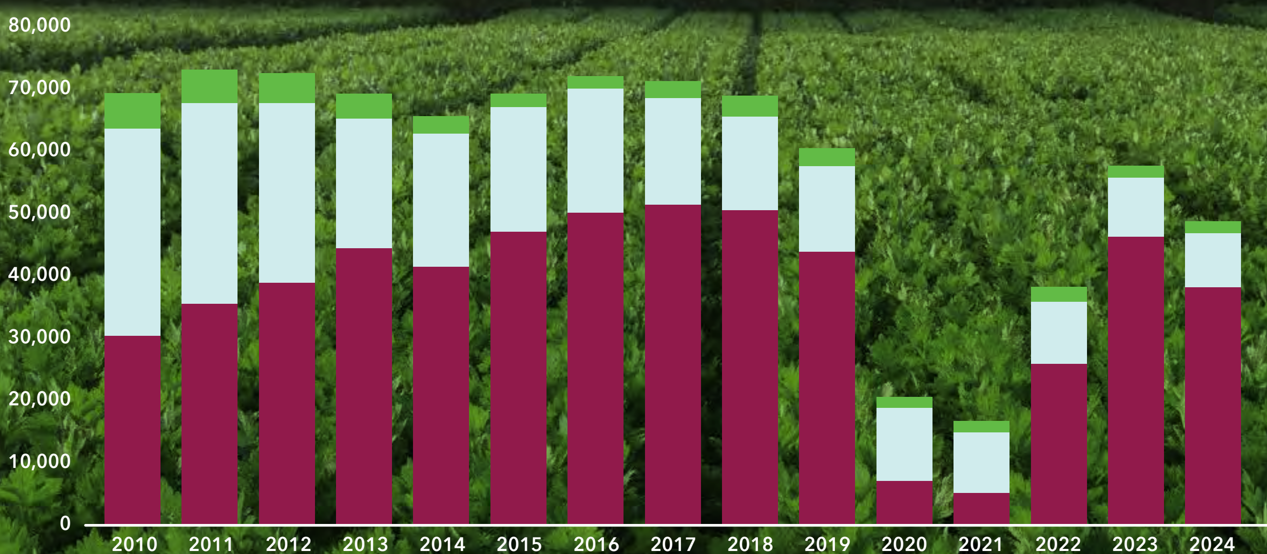
**Key Performance Indicators for Spring and Annual Meetings Impact.** As part of International Organization for Standardization (ISO) 20121 certification, improved measurement methodologies and targets were established to better track sustainable practices and progress. The IMF was recertified for sustainable events in April 2025, which reaffirmed the institution's commitment to mitigating the environmental impact of the meetings.

**Leveraging Remote Meeting Technologies.** Use of ever-improving remote meeting technologies is enabling more frequent and continuous interaction and engagement with IMF member country officials and other partners, while also helping reduce mission-related travel.

These and other initiatives are coordinated by the internal Environmental Sustainability Council, which promotes technological and process-based solutions aimed at responsible operational practices and efficiency. In all, the IMF reduced its impact on the environment in 2024, as shown in Figure 3.2.

## Figure 3.2. Location-based historical GHG emissions for the IMF's physical operations (calendar years 2010–24)

*(TCO2e)*




- SCOPE 1: Emissions from diesel, gasoline, natural gas, propane, refrigerants, vehicles.
- SCOPE 2: Emissions from electricity.
- SCOPE 3: Emissions as a result of travel, shipping and courier activity, waste, water use, and employee commuting.

GHG = greenhouse gas. TCO2e = total carbon dioxide emissions.

**Total emissions in 2024 were 15 percent lower than in 2023, primarily because of lower Scope 3 emissions.**

Source: IMF, Corporate Services and Facilities Department.

New Zealand

## IMF GIVING TOGETHER PROGRAM

Giving Together, the IMF's philanthropic program is supported by donations from employees and retirees and by corporate matching funds. It also encompasses grants, management donations, and volunteering activities.

Last year there were multiple crises—including devastating earthquakes in Myanmar, Thailand, and Vanuatu and deadly floods in Argentina, Brazil, and East, West, and Central Africa. Continuing conflict in the Democratic Republic of the Congo and Sudan, Lebanon, Ukraine, and the West Bank and Gaza and Israel, and a rise in the cost of living have compounded the challenges faced by people around the world.

The IMF has responded to these challenges with tremendous support. Donations from employees, management, and retirees, with IMF corporate matching, amounted to a grand total of $5.175 million in FY 2025.

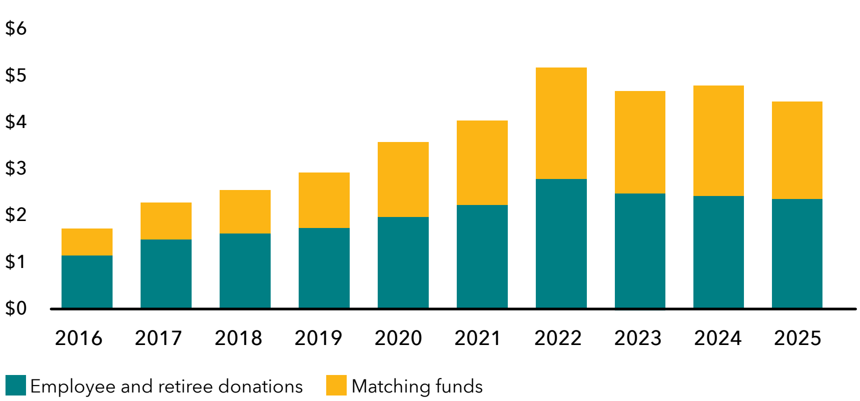
**Fall Giving Campaign—"Standing Together as One"**

This year's campaign focused on bringing peace and prosperity and supported aid to those in need through organizations focusing on hunger, health care, and natural disasters. The campaign raised $3,244,778 in donations and matching funds. A total of 61.2 percent of the staff participated in this year's Giving Together campaign—2,437 staff members and 322 retirees contributed, demonstrating strong engagement and ongoing support for the campaign.

**Humanitarian and Disaster Relief**

The IMF's Giving Together program organized 11 fundraisers to support humanitarian and disaster relief efforts, raising a total of $546,561.13 (including corporate match) for people in Argentina, Brazil, East Africa, Lebanon, Myanmar, Sudan, Thailand, Vanuatu, and West and Central Africa, as well as in countries affected by Typhoon Yagi in Southeast Asia. These contributions were channeled to international relief organizations providing critical aid and support to affected children and families on the ground in these countries.

**Figure 3.3. Employee and retiree donations and matching funds, FYs 2016–25** *(millions of US dollars)*




Source: IMF, Communications Department.

**IMF Giving Together Year in Numbers FY 2025**

**$546,561**
raised to support humanitarian and disaster relief efforts

**$55,000**
in management donations

**$458,561**
in grants and corporate donations, all of which was channeled to

**51**
organizations supported

**Grants and Corporate Donations**

The IMF has been a consistent supporter of community initiatives focused on economic resilience and independence in the Washington, DC, metropolitan area through partnerships and annual grants. In FY 2025, the Giving Together program awarded 33 grants and corporate donations to charitable organizations in the area amounting to $429,500.

**Volunteering**

Volunteering is an integral and in-demand part of the IMF's Giving Together program. Volunteering events and initiatives, often led by staff members, took place in partnership with charities throughout the year.

In September 2024, the IMF launched its first blood drive in partnership with the American Red Cross, which collected 25 units of blood plus two power red donations—enough to help save more than 80 lives. A follow-up blood drive took place in April 2025, with 52 staff volunteers and 30 first-time donors collecting 39 units of blood, contributing to about 120 lives saved.

In February 2025, in honor of the Martin Luther King Jr. Day of Service, IMF management and staff participated in a volunteering event organized by the Giving Together program in partnership with Sixdegrees.org, a Northern Virginia–based nonprofit founded in 2007 by Golden Globe-winning actor, musician, and philanthropist Kevin Bacon. More than 400 staff members volunteered their time packing hygiene kits for people in need in the Washington, DC, area through partners including Miriam's Kitchen, Community of Hope, Everybody Wins DC, Lasagna Love, Catholic Charities of DC, and the Mosaic Foundation.

Aside from Fund-wide volunteering events, the IMF's management team and the Executive Board initiated their own volunteering activities in support of local communities in FY 2025 in partnership with local charities.

**Annual Staff and Retiree Giving in Numbers**

In FY 2025, IMF employees and retiree donations and corporate matching totaled $4,674,995. (Figure 3.3). This includes the fall Giving Campaign and year-round giving, as well as donations to humanitarian and disaster relief campaigns.

## OUR STAFF, OUR MISSION, OUR CULTURE

The IMF recruits and promotes employees with the highest standards of technical competence, representing the broad spectrum of diverse member countries we serve, while fostering an enriching and inclusive work environment for its workforce. It prioritizes staff development by fostering a learning culture, with opportunities to deepen and broaden experiences across the range of the IMF's work. It invests in modernizing processes and practices, harnessing new technologies ethically to maintain its role as an employer of choice and in service to its global membership. In January 2025, an IMF-wide working group updated the Board on progress toward the 2025 benchmarks for staff representation, along with an analysis of key initiatives undertaken since 2021 and their preliminary recommendations for FY 2030. Management approved the working group's recommendations to extend the current benchmarks to FY 2030.

August 1, 2025

Dear Mr. Chairman:

I have the honor to present to the Board of Governors the *Annual Report of the Executive Board* for the financial year ended April 30, 2025, in accordance with Article XII, Section 7(a), of the Articles of Agreement of the International Monetary Fund and Section 10 of the IMF's By-Laws. In accordance with Section 20 of the By-Laws, the administrative and capital budgets of the IMF approved by the Executive Board for the financial year ending April 30, 2025, are presented on the Annual Report website. The audited financial statements for the year ended April 30, 2025, of the General Department, the SDR Department, and the accounts administered by the IMF, together with reports of the external audit firm thereon, are presented in Appendix VI, as well as at www.imf.org/AR2025. The external audit process was overseen by the External Audit Committee, comprising Mr. Isingoma (Chair), Mr. Tamai, and Ms. Ingram, as required under Section 20(c) of the IMF's By-Laws.

Yours truly,

Kristalina Georgieva
Managing Director and Chair of the Executive Board

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**Access and download the 2025 *Annual Report* along with the financial statements and additional resources at the IMF Annual Report website. IMF.org/AR2025**

The *Annual Report* was prepared by the Publisher Division of the IMF's Communications Department, in consultation with departments across the IMF. Jeremy Harrison, Harriet Tolputt, and Jim Beardow oversaw the work of the report team, which was under the direction of the Executive Board's Evaluation Committee, chaired by André Roncaglia. Hyun-Sung Khang was chief writer, and Nasim Amini Abbas was editor and project manager. Denise Bergeron served as production manager.



**Design:** Feisty Brown, feistybrown.com
**Web Design:** Cantilever, cantilever.co

# PHOTOGRAPHY

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# ACRONYMS AND ABBREVIATIONS

| | |
|---|---|
| **AML/CFT** | anti-money laundering/combating the financing of terrorism |
| **BBA** | bilateral borrowing agreement |
| **CCRT** | Catastrophe Containment and Relief Trust |
| **CD** | capacity development |
| **CMAP** | Climate Macroeconomic Assessment Program |
| **COVID-19** | disease caused by the coronavirus |
| **DMF** | Debt Management Facility |
| **DSSI** | Debt Service Suspension Initiative |
| **ECF** | Extended Credit Facility |
| **EFF** | Extended Fund Facility |
| **EMDE** | emerging market and developing economy |
| **FCL** | Flexible Credit Line |
| **FSAP** | Financial Sector Assessment Program |
| **FSSF** | Financial Sector Stability Fund |
| **FY** | financial year |
| **G20** | Group of Twenty |
| **GDP** | gross domestic product |
| **GNI** | gross national income |
| **GRA** | General Resources Account |
| **HIPC** | Heavily Indebted Poor Countries |
| **IDA** | International Development Association |
| **IEO** | Independent Evaluation Office |
| **IMF** | International Monetary Fund |
| **MNRW** | Managing Natural Resource Wealth |
| **NAB** | New Arrangements to Borrow |
| **PFTAC** | Pacific Financial Technical Assistance Center |
| **PIMA** | Public Investment Management Assessment |
| **PLL** | Precautionary and Liquidity Line |
| **PRGT** | Poverty Reduction and Growth Trust |
| **PRS** | Poverty Reduction Strategy |
| **RCF** | Rapid Credit Facility |
| **RFI** | Rapid Financing Instrument |
| **RSF** | Resilience and Sustainability Facility |
| **RST** | Resilience and Sustainability Trust |
| **SBA** | Stand-By Arrangement |
| **SCF** | Standby Credit Facility |
| **SDR** | special drawing right |
| **SLL** | Short-Term Liquidity Line |
| **UCT** | upper credit tranche |
| **UN** | United Nations |

"We are and will remain a transmission line of good policies for our members and will continue to strive to be more effective, incisive and a welcoming place for countries to come together to tackle global challenges."

**KRISTALINA GEORGIEVA**
Managing Director

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