

Organization, Staffing, and Budget

The IMF's organizational structure is set out in its Articles of Agreement, which provide for a Board of Governors, an Executive Board, a Managing Director, and a staff of international civil servants. The Articles require that staff appointed to the IMF demonstrate the highest standards of efficiency and technical competence and reflect the organization's diverse membership.

Executive Board

As the IMF's permanent decision-making organ, its 24-member Executive Board, conducts the day-to-day business of the IMF. In 1997, the Board held 166 meetings, consisting of 132 formal discussions, 6 informal meetings, 6 seminars, and 22 private meetings.

The Executive Board carries out its work largely on the basis of papers prepared by IMF management and staff. In 1997, the Board spent 58 percent of its time on member country matters (Article IV consultations and reviews and approvals of arrangements) and 36 percent of its time on policy issues (such as the world economic outlook, developments in international capital markets, the IMF's financial resources, surveillance, data issues, the debt situation, and issues related to IMF facilities and program design).

Departments

The IMF staff is organized primarily in departments with regional (or area), functional, information and liaison, and support functions (Figure 9). These departments are headed by directors who report to the Managing Director.

Area Departments

Six area departments—*African, Asia and Pacific, European I, European II, Middle Eastern, and Western Hemisphere*—advise management and the Executive Board on economic developments and policies in countries in their region. Their staff also negotiate arrangements for the use of IMF financial resources and review performance under IMF-supported arrangements. Together with relevant functional departments, they provide member countries with pol-

icy advice and technical assistance and maintain contact with regional organizations and multilateral institutions in their geographic areas. Supplemented by staff in functional departments, area departments carry out much of the IMF's bilateral surveillance work through direct contacts with member countries. In addition, 70 area department staff members are assigned to member countries as IMF resident representatives (see Box 17).

Functional and Special Services Departments

The *Fiscal Affairs Department* is responsible for activities involving public finance in member countries. It participates in area department missions on fiscal issues, reviews the fiscal content of IMF policy advice and IMF-supported adjustment programs, and provides technical assistance in public finance. It also conducts research and policy studies on fiscal issues, as well as on income distribution and poverty, social safety nets, public expenditure policy issues, and the environment.

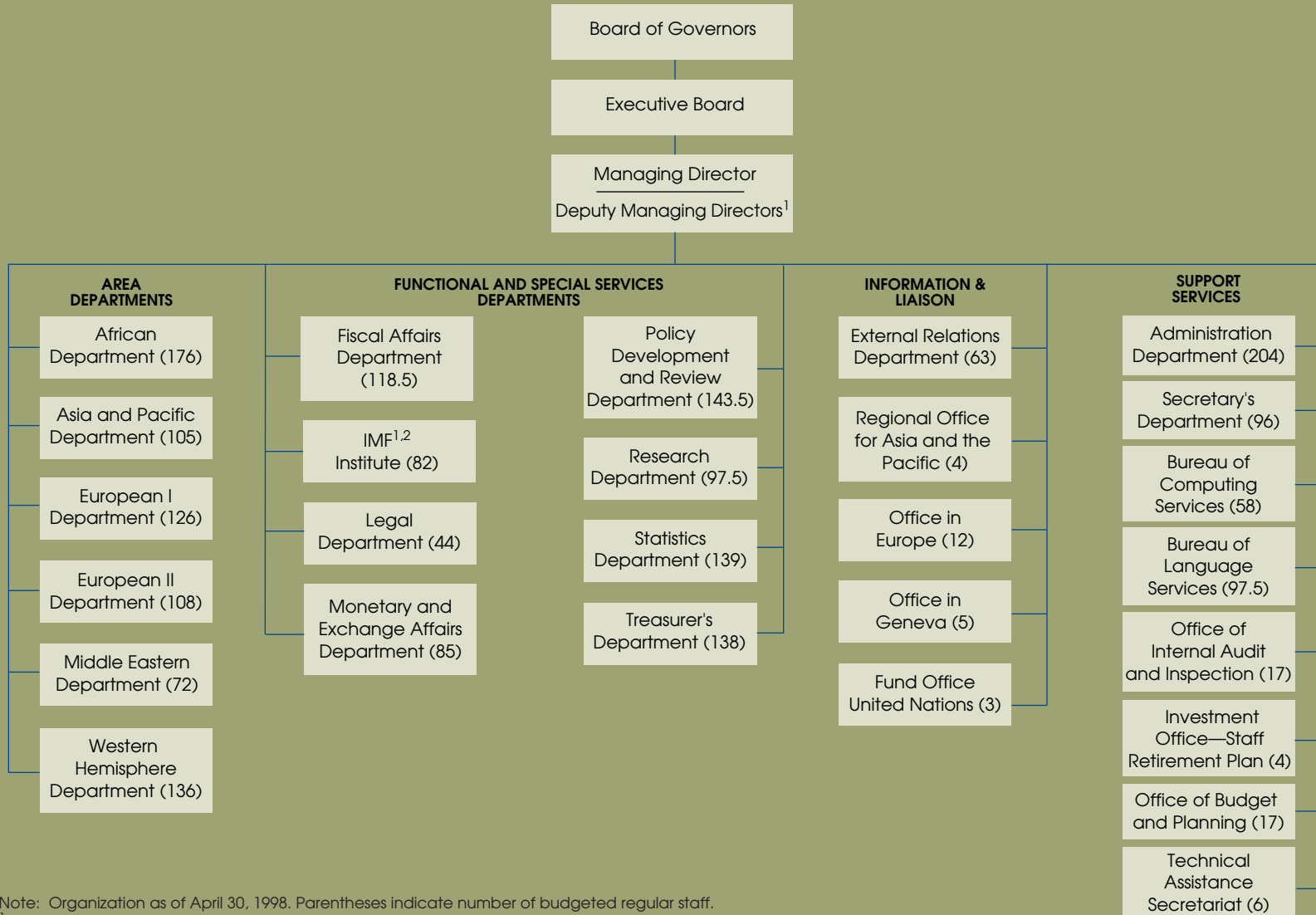
The *IMF Institute* provides training for officials of member countries—particularly developing countries—in such topics as financial programming and policy, external sector policies, balance of payments methodology, national accounts and government finance statistics, and public finance.

The *Legal Department* advises management, the Board, and the staff on the applicable rules of law. It prepares most of the decisions and other legal instruments necessary for the IMF's activities. The department serves as counsel to the IMF in litigation and arbitration cases, provides technical assistance on legislative reform, and responds to inquiries from national authorities and international organizations on the law of the IMF.

The *Monetary and Exchange Affairs Department* provides technical assistance to central banks in such areas as monetary and exchange rate policies, banking supervision, prudential regulation, and payment systems issues. It also assigns experts to central banks where long-term technical assistance is sought. In the

Figure 9

International Monetary Fund: Chart of Organization



Note: Organization as of April 30, 1998. Parentheses indicate number of budgeted regular staff.

¹The Institute supports the Joint Vienna Institute, a training center in Vienna, Austria.

²Beginning in May 1998, the IMF-Singapore Regional Training Institute, a new regional training center, was established and will receive support from the IMF Institute.

context of surveillance and requests for the use of IMF resources, the Monetary and Exchange Affairs Department works with area departments in its areas of expertise. It also contributes to the exercise of IMF jurisdiction on exchange practices and restrictions.

The *Policy Development and Review Department* plays a central role in the design and implementation of IMF financial facilities and operations, in surveillance policies, and in other areas. Together with the Research Department, it takes the lead in multilateral surveillance, policy coordination, and associated review and support activities. With area departments, the Policy Development and Review Department helps mobilize other financial resources for member countries using IMF resources, including work on debt and program financing (through the Paris Club and international banks).

The *Research Department* conducts policy analysis and research in areas relating to the IMF's work. The department plays a prominent role in the development of IMF policy concerning the international monetary system and surveillance and cooperates with other departments in formulating IMF policy advice to member countries. It coordinates the semiannual World Economic Outlook exercise and prepares the annual *International Capital Markets* report, as well as analysis for the Group of Seven policy coordination exercise and the Executive Board's seminars on World Economic and Market Developments. The department also maintains contacts with the academic community and with other research organizations.

The *Statistics Department* maintains databases of country, regional, and global economic and financial statistics and reviews country data in support of the IMF's surveillance role. It is also responsible for developing statistical concepts in balance of payments, government finance, and money and financial statistics, as well as producing methodological manuals. The department provides technical assistance and training to help members develop statistical systems and produces the IMF's statistical publications. In addition, it is responsible for developing and maintaining standards for the dissemination of data by member countries.

Box 17

IMF Resident Representatives

At the end of 1997/98, the IMF had 70 resident representatives in 64 countries. These posts—typically filled by a single staff member—are intended to enhance the provision of IMF policy advice and are often set up in conjunction with an IMF-supported adjustment program.

To evaluate their effectiveness, the IMF's Office of Internal Audit and Inspection reviewed the program in 1997. The review concluded that resident representative positions have a major impact on the quality of the IMF's country work; in particular, resident representatives alert the IMF and the host country to potential policy slippages and facilitate program implementation. The review highlighted the importance of placing broadly equal emphasis on policy and program support and activities to strengthen underlying macroeconomic capacities and institutions and enhance transparency. It also underscored the need to view these posts as transitional.

At their discussion, many Directors cited the exceptional access that resident representatives had to key national policymakers, which was an

important asset for the IMF. Directors were generally highly satisfied with resident representatives, but there were problems in about one-third of the posts, which undermined their effectiveness. Directors urged the IMF staff to implement recommendations to improve this record. Most Directors agreed there should be no single model for the situations in which a resident representative could be used, but they supported a greater focus on the resident representatives' comparative advantage—that is, in providing on-site macroeconomic advice and program support. Directors stressed the need to ensure a consistently high quality of staff in these posts, with particular attention to strong economic policy and communication skills, self-confidence, and initiative. Given high start-up costs, Directors favored two- to three-year assignments. They also emphasized that member country receptiveness was vital to the success of a resident representative; the IMF staff needed to work closely with the national authorities to define objectives for the post and prioritize joint work.

The *Treasurer's Department* formulates the IMF's financial policies and practices; conducts and controls financial operations and transactions in the General Department, SDR Department, and Administered Accounts (including the ESAF Trust and related accounts); effects and controls expenditures under the administrative and capital budgets; and maintains IMF accounts and financial records. The department's responsibilities also include quota reviews, IMF financing and liquidity, borrowing, investments, the IMF's income, and operational policies on the SDR.

Information and Liaison

The *External Relations Department* edits, produces, and distributes the IMF's nonstatistical publications; provides information services to the press and general public; maintains contacts with nongovernmental organizations and parliamentary bodies; and manages the IMF's website.

The IMF maintains four offices—in Asia and the Pacific, in Europe, in Geneva, and at the United Nations—to foster close contacts with other international and regional institutions.

Table 17
Nationality Distribution of Professional and Managerial Staff by Region
 (Percent)

| Region ¹ | 1980 | 1990 | 1997 |
|----------------------------|--------------|--------------|--------------|
| Africa | 3.8 | 5.8 | 5.2 |
| Asia | 12.3 | 12.7 | 15.0 |
| Japan | 1.4 | 1.9 | 1.6 |
| Other Asia | 10.9 | 10.8 | 13.4 |
| Europe | 39.5 | 35.1 | 33.2 |
| France | 6.9 | 5.5 | 4.5 |
| Germany | 3.7 | 4.3 | 3.8 |
| Italy | 1.7 | 1.4 | 2.8 |
| United Kingdom | 8.2 | 8.0 | 7.0 |
| BRO countries ² | ... | ... | 1.1 |
| Other Europe | 19.0 | 15.9 | 14.0 |
| Middle East | 5.4 | 5.5 | 6.1 |
| Western Hemisphere | 39.1 | 41.0 | 40.5 |
| Canada | 2.6 | 2.8 | 3.5 |
| United States | 25.9 | 25.9 | 25.5 |
| Other Western Hemisphere | 10.6 | 12.3 | 11.5 |
| Total | 100.0 | 100.0 | 100.0 |

¹Regions are defined on the basis of the country distribution of the IMF's area departments. The European region includes countries in both the European I Department and the European II Department. The Middle East region includes countries in North Africa.

²The Baltics, Russia, and other former Soviet Union countries.

Support Services

The *Administration Department* manages recruitment, training, and career planning programs; supervises the operation of the IMF's headquarters building and leased space; provides administrative services to the organization; and administers the Joint Fund-Bank Library.

The *Secretary's Department* assists management in preparing and coordinating the work program of the Executive Board and other official bodies, including scheduling and assisting in the conduct of Board meetings. The department also manages the Annual Meetings, in cooperation with the World Bank, and is responsible for the IMF's archives, communications, and security program.

The IMF's *bureaus, offices, and secretariats* are responsible for computer services; translation services; auditing, evaluation, and work practices; budget matters; technical assistance; and investments under the staff retirement plan.

See Figure 9 for staffing by department as of April 30, 1998.

Staff

As mentioned above, the Managing Director appoints a staff whose sole responsibility is to the IMF; whose effi-

ciency and technical competence are to be of the "highest standards"; and whose diversity reflects the IMF's membership, by giving "due regard to the importance of recruiting personnel on as wide a geographical basis as possible." To these ends, and to provide the continuity and institutional memory necessary to maintain a close working relationship with member countries, the IMF's employment policy is designed to recruit and retain a corps of international civil servants interested in spending a career, or a significant part of a career, at the IMF. At the same time, a number of Board members see the need for greater movement of staff into and out of the IMF to promote skill renewal and introduce new blood into the institution. In the case of a number of skills and jobs, mainly relating to technology, certain services, and highly specialized skills in economics, business considerations have called for contractual employment relationships or outsourcing of activities.

As of December 31, 1997, the IMF had 693 assistant staff and 1,488 professional and managerial staff (approximately two-thirds of whom were economists). Some 480 additional positions fall into the category of "other authorized staff" (experts, consultants, Economic Program participants, and other nonregular resources). Of the IMF's 182 member countries, 122 were represented on the staff. (See Table 17 for the evolution of the nationality distribution of IMF professional and managerial staff since 1980.)

During 1997/98, 2,941 staff-years were used in the IMF, compared with 2,904 in 1996/97. Included in the 1997/98 total were 1,988 regular staff-years (1,999 in 1996/97), supplemented by other resources including Economist Program staff, overtime, and contractual and other temporary staff-years for a total of 2,585 staff-years (2,545 in 1996/97); 230 staff-years for the Office of Executive Directors (232 in 1996/97); and 125 staff-years for externally financed technical assistance experts and related overhead resources (127 in 1996/97).

Recruitment and Retention

During 1997, 149 new staff members joined the organization (84 economists, 26 professionals in specialized career streams, and 39 assistants)—compared with the 133 staff members hired in 1996. Of the new hires in 1997, 49 were mid-career economists (up from 30 in 1996), and 31 entered the Economist Program, a two-year program whose purpose is to familiarize "entry level" economists with the work of the IMF by placing them in two different IMF departments each for a 12-month period. Candidates for the Economist Program typically are completing a Ph.D. in macroeconomics or a related field, or have already finished their graduate studies and have one or two years' work experience. Economist Program participants who perform well dur-

Table 18
Gender Distribution of Staff by Level

| Staff Level | 1980 | | 1990 | | 1997 | |
|----------------------------|--------|---------|--------|---------|--------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| All staff | | | | | | |
| Total (all levels) | 1,444 | 100.0 | 1,774 | 100.0 | 2,181 ¹ | 100.0 |
| Women | 676 | 46.8 | 827 | 46.6 | 1,014 | 46.5 |
| Men | 768 | 53.2 | 947 | 53.4 | 1,167 | 53.5 |
| Support staff | | | | | | |
| Total | 613 | 100.0 | 642 | 100.0 | 693 | 100.0 |
| Women | 492 | 80.3 | 540 | 84.1 | 593 | 85.6 |
| Men | 121 | 19.7 | 102 | 15.9 | 100 | 14.4 |
| Professional staff | | | | | | |
| Total | 646 | 100.0 | 897 | 100.0 | 1,179 | 100.0 |
| Women | 173 | 26.8 | 274 | 30.5 | 390 | 33.1 |
| Men | 473 | 73.2 | 623 | 69.5 | 789 | 66.9 |
| Economists | | | | | | |
| Total | 362 | 100.0 | 529 | 100.0 | 770 | 100.0 |
| Women | 42 | 11.6 | 70 | 13.2 | 150 | 19.5 |
| Men | 320 | 88.4 | 459 | 86.8 | 620 | 80.5 |
| Specialized career streams | | | | | | |
| Total | 284 | 100.0 | 368 | 100.0 | 409 | 100.0 |
| Women | 131 | 46.1 | 204 | 55.4 | 240 | 58.7 |
| Men | 153 | 53.9 | 164 | 44.6 | 169 | 41.3 |
| Managerial staff | | | | | | |
| Total | 185 | 100.0 | 235 | 100.0 | 309 | 100.0 |
| Women | 11 | 5.9 | 13 | 5.5 | 31 | 10.0 |
| Men | 174 | 94.1 | 222 | 94.5 | 278 | 90.0 |
| Economists | | | | | | |
| Total | 99 | 100.0 | 184 | 100.0 | 250 | 100.0 |
| Women | 4 | 4.0 | 9 | 4.9 | 17 | 6.8 |
| Men | 95 | 96.0 | 175 | 95.1 | 233 | 93.2 |
| Specialized career streams | | | | | | |
| Total | 86 | 100.0 | 51 | 100.0 | 59 | 100.0 |
| Women | 7 | 8.1 | 4 | 7.8 | 14 | 23.7 |
| Men | 79 | 91.9 | 47 | 92.2 | 45 | 76.3 |

¹Some 480 additional positions fall into the category of "other authorized staff" (experts, consultants, Economist Program participants, and other non-regular resources).

ing the two-year period are offered regular staff appointments.

During 1997, 137 staff separated from the IMF, an increase of 22 over 1996. The separation rate of professional staff rose to 7 percent (104 staff) in 1997 from 5½ percent (82 staff) in 1996, which had been close to the long-term average. The increase in turnover was attributable largely to a sudden and sharp rise in resignations of economists joining private sector financial firms.

Salary Structure

To recruit and retain the staff it needs, the IMF has developed a compensation and benefits system that is designed to be competitive, to reward performance, and to take account of the special needs of a multi-national and largely expatriate staff. The IMF's staff

salary structure is reviewed and, if warranted, adjusted annually on the basis of a comparison with salaries paid by selected private financial and industrial firms and public sector organizations in the United States, France, and Germany. On the basis of updated analyses of comparator salaries, the salary structure was increased by 4.3 percent in 1997/98, and the Board approved an increase of 4.3 percent for 1998/99.

Diversity

The IMF views staff diversity as an important asset for improving its effectiveness as an international institution. With the support of the Managing Director, the IMF's Special Advisor on Diversity has designed a number of initiatives to enhance nationality as well as gender diversity (Table 18) in the organization—working closely with departments to identify issues and

Table 19

Estimated Cost of Major IMF Activities, Financial Years 1997–99¹*(Millions of U.S. dollars)*

| Activity | Financial Year 1997 | Percent of Total | Financial Year 1998 | Percent of Total | Budget Financial Year 1999 | Percent of Total |
|---------------------------------|---------------------|------------------|---------------------|------------------|----------------------------|------------------|
| Staff and management | | | | | | |
| Surveillance | 132.4 | 28.1 | 141.1 | 28.5 | 149.6 | 28.8 |
| Use of IMF resources | 116.7 | 24.7 | 104.3 | 21.1 | 126.3 | 24.3 |
| Technical assistance | 65.7 | 13.9 | 81.6 | 16.5 | 80.3 | 15.5 |
| External relations | 21.2 | 4.5 | 23.2 | 4.7 | 24.1 | 4.6 |
| Administrative support | 78.5 | 16.6 | 90.1 | 18.2 | 80.8 | 15.6 |
| Subtotal | 414.6 | 87.9 | 440.3 | 88.9 | 461.1 | 88.8 |
| Executive Board ² | 36.4 | 7.7 | 35.4 | 7.1 | 37.7 | 7.3 |
| Board of Governors ³ | 20.6 | 4.4 | 19.6 | 4.0 | 20.7 | 4.0 |
| Subtotal | 57.0 | 12.1 | 55.0 | 11.1 | 58.4 | 11.2 |
| Total | 471.6 | 100.0 | 495.3 | 100.0 | 519.5 | 100.0 |

Note: Details may not add to total because of rounding.

¹Cost estimates for financial years 1997 and 1998 are based on year-end data.²The Executive Board costs include salaries and benefits of Executive Directors, Alternates, and Assistants; business and other travel; communications; building occupancy; books and printing; supplies and equipment; data processing; other miscellaneous costs of Executive Directors' offices; and the costs of staff support services provided for Executive Directors.³The costs of the Board of Governors consist mainly of the travel and subsistence of Governors, the costs of staff support services provided for the Board of Governors, including the costs of the Annual Meetings, and other miscellaneous administrative services.

opportunities and to develop departmental diversity action plans. In 1997/98, departments began implementing these plans—which typically include mentoring, recognition of diversity needs in career development, flexible work arrangements, more emphasis on diversity considerations in recruitment, and grade and salary equity initiatives—and submitted their first progress reports to the Managing Director. The IMF has also placed greater emphasis on cultivating and strengthening the managerial qualities needed to develop the skills of its increasingly diverse staff.

Expanded monitoring of diversity data has revealed some progress in recruitment, promotions, and overall representativeness in all staff groups (and across most grade groups) earlier identified as having unequal opportunities. The achievement of satisfactory diversity of staff, however, will take some time.

Administrative and Capital Budgets

Medium-Term Budget Outlook

The IMF's Administrative and Capital Budgets are considered respectively in the context of rolling three-year and five-year medium-term budget outlooks that are reviewed each year by the Executive Board. At its discussion of the medium-term outlook in January 1998, the Board supported management's proposal for a modest increase in the authorized staff in 1998/99 to

carry out the additional work arising from the financial crisis in Asia and other priority work activities. The proposal stipulated that once the crisis in Asia abated, the budgetary consolidation policy begun in 1994/95 would continue, with staffing reductions in financial years 2000 and 2001. Despite the proposed increase in staffing, administrative expenses were projected to continue to remain relatively flat in real terms over the medium term. Implementing the medium-term proposals would require the continuation of internal redeployment of resources from lower priority activities to front-line activities to ensure that the institution continued to meet the changing needs of its membership, in particular the strengthening of IMF surveillance (including banking sector and related financial sector issues, the proposed amendment to the Articles of Agreement, and data dissemination standards); the work associated with the use of IMF resources; strengthening the

IMF's financial resources; and provision of internally and externally financed technical assistance to members.

The five-year outlook for the Capital Budget remained consistent with the strategy to continue and finalize the major building projects that had already been approved, and to continue with other capital investments that would result in cost savings or are required to comply with building codes or to maintain existing buildings and equipment inventory.

Budgets and Expenditure in 1997/98

The IMF's Administrative Budget for the financial year ended April 30, 1998 (1997/98) was \$503.7 million. For the Capital Budget, \$27.2 million was approved for projects beginning in financial year 1998 and \$17.0 million was approved for Part 3 of the Building Fit-Out Project (Phase III). The estimated cost of major IMF activities is shown in Table 19. Actual administrative expenditures during the year totaled \$495.3 million, and capital project disbursements totaled \$56.3 million, including \$40.5 million for major building projects (Table 20).

During 1997/98, Administrative Budget resources were used to support the IMF's work in the following proportions: surveillance and use of IMF resources, with over 115 countries classified as programs/intensive, 70 resident representatives located in 64 coun-

Table 20

Administrative and Capital Budgets, Financial Years 1996–99¹*(Thousands of U.S. dollars)*

| | Financial Year Ended April 30, 1996: Actual Expenses | Financial Year Ended April 30, 1997: Actual Expenses | Financial Year Ended April 30, 1998: Actual Expenses | Financial Year Ending April 30, 1999: Budget |
|---|---|---|---|---|
| Administrative Budget | | | | |
| III. Personnel expenses | | | | |
| Salaries | 210,216 | 216,350 | 229,150 | 247,270 |
| Other personnel expenses | 131,115 | 129,550 | 117,213 | 126,019 |
| Subtotal | 341,331 | 345,901 | 346,363 | 373,289 |
| II. Other expenses | | | | |
| Business travel | 39,624 | 39,302 | 46,831 | 44,515 |
| Other travel | 26,458 | 26,960 | 28,010 | 29,470 |
| Communications | 9,869 | 10,693 | 10,506 | 11,681 |
| Building occupancy | 40,242 | 41,899 | 42,877 | 44,585 |
| Books and printing | 8,371 | 8,579 | 9,669 | 10,228 |
| Supplies and equipment | 7,219 | 7,941 | 8,164 | 8,754 |
| Data processing | 18,129 | 19,735 | 25,765 | 25,500 |
| Miscellaneous | 12,831 | 9,924 | 12,930 | 13,635 |
| Subtotal | 162,743 | 165,033 | 184,752 | 188,368 |
| III. Reimbursements | -33,239 | -39,368 | -35,836 | -42,124 |
| Total Administrative Budget | 470,836 | 471,564 | 495,279 | 519,533 |
| Less: Reimbursement for administering the SDR Department | -5,841 | -5,914 | -6,000 | -5,800 |
| Reimbursement for administering the SAF/ESAF | -35,634 | -43,788 | ... ² | ... ³ |
| Net Administrative Budget expenses ⁴ | 429,361 | 421,862 | 489,279 | 513,733 |
| Capital Budget | | | | |
| Capital project budgets ⁵ | 152,500 | 20,123 | 27,240 | 14,440 |
| Capital project disbursements | 34,800 | 151,500 | 56,061 | 46,391 |

¹Administrative Budget as approved by the Board for the financial year ending April 30, 1999, as compared with actual expenses for the financial years ended April 30, 1996, April 30, 1997, and April 30, 1998; and Capital Budgets as approved by the Board for capital projects in financial years 1996, 1997, 1998, and 1999. Due to rounding, details may not add to total.

²The reimbursement of \$55,500 was not included in the Administrative Budget by Executive Board decision.

³The reimbursement of \$61,800 will not be included in the Administrative Budget by Executive Board decision.

⁴Net Administrative Budget expenses exclude valuation or loss on administrative currency holdings.

⁵Multiyear Capital Budgets for projects beginning in each financial year.

tries, and an estimated 285 person-years of technical assistance (66.1 percent of expenses); external relations activities to continue to provide a greater openness of the IMF's policies and operations (4.7 percent); administrative support, where investments in technology and continuing work practice improvements continue to produce a series of savings in the diverse activities within this category (18.2 percent); Board of Governors (4.0 percent); and Executive Board (7.1 percent). The distribution of estimated administrative costs by major IMF activities is shown in Figure 10.

Budgets and Expenditure in 1998/99

The IMF's work program for 1998/99 will focus on:

- strengthening multilateral, regional, and bilateral surveillance, including seeking ways to strengthen

the architecture of the international monetary system;

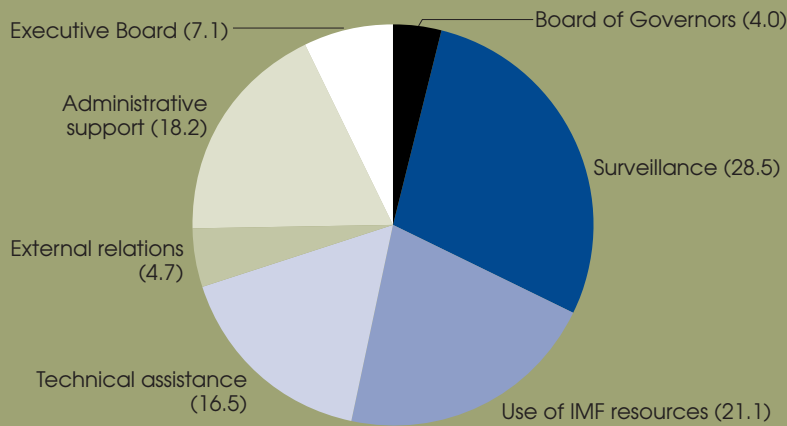
- an increase in work associated with the use of IMF resources as a result of the ESAF and the HIPC Initiative;
- ensuring that the IMF continues to meet the changing and expanding needs of its membership, including the provision of technical assistance; and
- intensified efforts in external relations and communication to the general public of the IMF's role and work.

In support of this work program, the Board, in April 1998, approved an Administrative Budget for 1998/99 of \$519.5 million, a 3.1 percent increase over the approved budget for the previous year. In addition, a capital projects budget of \$14.4 million was approved

Figure 10

Estimated Cost of Major Activities, Financial Year 1998

(As a percent of total costs)



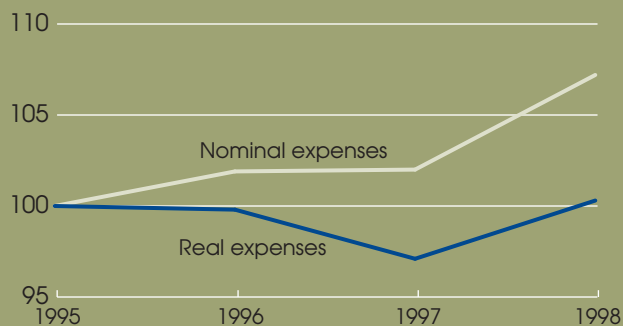
Note: Information is based on financial year 1998 outturn of expenditures. The cost of general supervision, training, professional development, and leave has been distributed proportionally to each of the other categories. Because of rounding, details may not add to total.

for facility improvements, new technology, and data-processing equipment. The 1998/99 Administrative Budget includes an increase of 32.5 positions in the authorized staffing level to meet the very heavy workload associated with the financial crisis in Asia that was not anticipated in the previous medium-term plan, for a number of other priority work activities, and to increase the number of participants in the IMF's Economist Program. The increase in authorized staffing will allow the IMF to attend to priority work activities, to reduce the very high level of uncompensated overtime being worked by many staff, and to reduce accumulated leave balances. To resume the medium-term strategy of budgetary consolidation in the staffing area, the additional positions authorized to carry out the work on the Asian crisis will be eliminated once the crisis has abated and work returns to more normal levels. The one-time increase in the intake of economists into the

Figure 11

Administrative Expenses, Financial Years 1995-98

(Financial year 1995 = 100)



Note: Real administrative expenses have been derived using the CPI-U (consumer price index for all urban consumers) for Washington, D.C., Maryland, and Virginia (source: U.S. Bureau of Labor Statistics). It should be noted that the CPI-U uses weights that do not reflect the pattern of all IMF administrative expenses. If the IMF expenses were used as weights, the overall increase in prices would be higher than those reflected in the CPI-U and the level of real expenses would be correspondingly lower during financial years 1995-98.

Economist Program is meant to expand the IMF's flexibility over the medium term and rebuild the economist ranks. Notwithstanding the increase in authorized staffing, the 1998/99 budget maintains the existing policy of budgetary consolidation by keeping administrative expenses relatively flat in real terms, compared with the 1997/98 budget. The Administrative Budget in nominal and real terms is shown in Figure 11. The Capital Budget represents a continuation of plans for completing major building projects, replacing older facilities and electronic data-processing equipment, and other medium-term programs.

Building Projects

The addition to the headquarters building (Phase III) is essentially completed, and in March 1998 staff began to move out of leased space and to occupy the building. The PEPCO building (Phase IV) adjacent to headquarters will be ready for occupancy after the current tenant has vacated and the building has been renovated. When the Phase IV project has been completed, staff will be housed in two immediately adjacent buildings owned by the IMF, overall occupancy costs will be reduced, and the IMF's long-term space and budget strategies will have been realized.

