

## MEASURING THE FUND'S ENGAGEMENT IN NEWER POLICY AREAS<sup>1</sup>

Only partial budget data was available on the Fund's work related to the five specific strategies for governance, social spending, digital money, climate, and gender:

- ▶ **Time and cost tracking.** The Fund's Time Reporting Analytic Costing and Estimation System focused on outputs and therefore did not track time or work by policy area in a granular or systematic way. As a result, OBP used estimates collected through semiannual staff surveys to report how much time staff had worked on specific topics.
- ▶ **Funding source.** Data presented in MTB documents were based on Fund-financed spending (IMF01). Estimation techniques for systematically tracking both internally (IMF01) and externally (IMF02) financed spending are still in the works.
- ▶ **Reporting.** MTB documents, as well as those related to the Budget Augmentation Framework, reported on so-called priority areas. These priority areas have changed during the evaluation period and have included priorities linked to both the four traditional core policies identified in the ISD and newer ones. For example, the FY2023 outturn documents considered climate change, debt, digital money, governance and anti-corruption, inclusion and gender, and macrofinancial surveillance to be priority areas.
- ▶ **Flows versus stocks.** When reported, data on priority areas in MTB documents before FY2020 referred to net changes in budget allocations (flows). OBP initiated work on measuring overall spending (stocks) in FY2020.
- ▶ **Evolving definitions.** The definition of some policy areas has changed over the years. For example, while earlier MTB documents reported on workstreams related to inclusive growth, social spending, and gender separately (for example, the FY2020 Output Cost Estimates and Budget Outturn), more recent documents reported only on inclusion and gender as a single category. In the FY2023–25 MTB paper, priority area definitions were anchored in the scope established in the different strategies supported by the Budget Augmentation Framework.
- ▶ **Overlaps.** For the FY2022 data, OBP clarified the methodology to avoid overlaps when reporting data on priority areas. This was relevant for figures for governance and anti-corruption and inclusion and gender.

While comparable data are available for FY2022–24, it is difficult to build a reliable time series for the evaluation period 2012–23. Resources for climate and digital money increased over the period FY2020–23, particularly after the endorsement of the climate and

<sup>1</sup> Sources: Interviews with current and former staff, Medium-Term Budget and Output Cost Estimates and Budget Outturn documents (multiple years).

**TABLE A2.1. SHARE OF NEWER POLICY AREAS IN THE FUND’S BUDGET**

(In millions of USD)

	FY2020	FY2021	FY2022	FY2023	FY2024p
	30-APR-20	30-APR-21	30-APR-22	30-APR-23	30-APR-24
<b>Overall budget</b>					
Budget–total net expenditures (Fund-financed)	1,158	1,186	1,214	1,295	1,411
Outturn–total net expenditures (Fund-financed)	1,150	1,126	1,180	1,293	1,411
Utilization	99.3%	94.9%	97.2%	99.8%	100.0%
<b>Direct non-CD spending in newer policy areas</b>					
Governance and Anti-Corruption	43	24	18	21	23
Climate	16	28	28	44	56
Digital Money	6	4	11	18	23
Inclusion and Gender	62	36	16	16	18
<b>Total</b>	<b>127</b>	<b>92</b>	<b>73</b>	<b>99</b>	<b>120</b>
<b>As a percentage of outturn</b>	<b>11.0%</b>	<b>8.2%</b>	<b>6.2%</b>	<b>7.6%</b>	<b>8.5%</b>

Source: Author’s calculations based on output cost estimates and budget outturn documents (multiple years).

Note: “p” in column FY2024p represents projections.

digital money strategies. The data for FY2020–23 suggest a substantial decline in available resources for governance and anti-corruption and inclusion and gender, but this was due to corrections related to overlaps and changes in definition, as discussed above (Table A2.1).

As the Board’s interest in budget tracking has grown over time, OBP is now updating the methodology and contemplating ways to estimate spending in different policy areas more robustly.