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World Bank's Budget: Trends and Recommendations for FY13

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

CORPORATE FINANCE AND RISK MANAGEMENT

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ACRONYMNS

BB	Bank Budget
BETF	Bank-Executed Trust Fund
CGIAR	Consultative Group on International Agricultural Research
COGOV	Corporate Governance
CSF	Civil Society Fund
DGF	Development Grant Facility
DPL	Development Policy Loan
FAC	Finance, Administrative and Corporate Units
FCS	Fragile and Conflict-affected Situations
GPSA	Global Partnership for Social Accountability
HQ	Headquarters
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDF	Institutional Development Fund
IFC	International Finance Corporation
IMF	International Monetary Fund
IT	Information Technology
IPS	Integrated Planning System
KLC	Knowledge and Learning Council
MIGA	Multilateral Investment Guarantee Agency
MOU	Memorandum of Understanding
MTBF	Medium-Term Business and Finance
OKR	Open Knowledge Repository
QBRR	Quarterly Business and Risk Review
RAMP	Reserve Advisory and Management Program
RETF	Recipient-Executed Trust Funds
SSA	Shared Service Arrangement
SMU	Sector Management Unit
SPF	State and Peace Building Fund
VPU	Vice Presidential Unit

Organizational Units

AFR	Africa Region
CFP	Concessional Finance and Global Partnerships Unit
CFR	Corporate Finance and Risk Management Unit
DEC	Development Economics Unit
EAP	East Asia and Pacific Region
ECA	Europe and Central Asia Region
EXT	External Affairs
FPD	Financial and Private Sector Development Unit
GSD	General Services Department

HDN Human Development Network
HRS Human Resources Unit
IAD Internal Auditors
IEG Independent Evaluation Group
IMT Information Management and Technology Unit
INT Integrity Vice Presidency
LCR Latin America and Caribbean Region
LEG Legal Unit
MNA Middle East and North Africa Region
OPCS Operations Policy and Country Services Unit
PREM Poverty Reduction and Economic Management Network
SAR South Asia Region
SBU Sanctions Board Unit
SDN Sustainable Development Network
SEC Corporate Secretariat
TRE Treasury Unit
WBI World Bank Institute

1. OVERVIEW AND RECOMMENDATIONS

This document sets out the FY13 World Bank budget for approval by the Board of Executive Directors. It also includes indicative budget numbers for FY14-15, the remainder of the three-year planning period. The budget implements the framework set out in the Medium-Term Business and Finance (MTBF) paper. Any variation in specifics from the MTBF framework is explained in the document.

1.1 OVERVIEW

1. Consistent with the Medium-Term Business and Finance paper, Management is proposing a net administrative budget that is flat in real terms (i.e., using the World Bank's price adjustment factor), and managed within the +/- 2 percent flexibility band. This is the eighth consecutive year that Management has requested a flat real budget.
2. With the return to flat budget expenditure levels in FY13, the overarching challenge facing the Bank remains that of delivering an expanded work program with constrained budgetary resources while preserving the flexibility to respond to rapidly changing client needs. The current economic and political uncertainty prevailing in many parts of the world underscores this need for flexibility.
3. Management's response to this challenge is to focus on increasing budget flexibility, work program selectivity, and operational and organizational effectiveness. These elements were discussed in the MTBF and are addressed at various points in this document.
4. The main feature underpinning the proposed budget is the allocation of some $45 million to three priority areas:
    - Responding to important economic and political developments in North Africa, Sub-Saharan Africa, and Eastern Europe;
    - Business modernization, including open data and knowledge governance, and reducing sector manager span of control; and
    - Specific corporate priorities, such as support to countries affected by fragility and conflict, and strengthening implementation and operational quality.
5. These budgetary allocations are funded by existing uncommitted budgetary resources; redeployments from the Network Anchors, DEC, and WBI; reductions to the Knowledge and Learning Council (KLC) budget, and additional resources from Trust Fund Fees, and targeted expense reductions.
6. This document represents the culmination of a year long conversation between Management and the Board of Executive Directors. A number of important and enduring issues were prominent in that conversation, including selectivity, operational quality, integration of Bank-Executed Trust Fund

(BETF) use into budget and business planning processes, and crisis preparedness. Additional issues reviewed with Executive Directors during the MTBF discussion included decentralization costs, enhancing corporate budget flexibility, and budget sustainability. All of these issues, and others, are addressed in this document.

7. ***This document*** is structured as follows:

Sub-Section 1.2 sets out the FY13 Budget recommendations for consideration by Executive Directors.

Section 2 reviews progress in revamping the corporate budget and business planning process, including Board engagements and regular corporate performance reporting. This section also takes stock of the main issues identified in this year's planning cycle and provides updates on Management's decisions and planned next steps.

Section 3 describes the individual components that comprise the FY13 Budget recommendations, and discusses the corporate budgetary allocations that will be supported by the FY13 Budget.

Annexes provide additional technical and other background information relevant to the overall budget framework and recommendations.

1.2 FY13 BUDGET RECOMMENDATIONS

8. ***Management seeks Board approval of the following FY13 Budget recommendations*** (in $FY13):

- That the net administrative budget be set at **$1,870.8 million,** to be managed within a range of +/- 2 percent, including a price adjustment factor of 2.58 percent ($47.1 million).
- That Board-related FY13 funding comprise:[1]
    - o An indicative budget of $76.5 million for Executive Directors using a preliminary price factor based on Washington-Baltimore Consumer Price Index. The price factor will be adjusted subsequently to reflect the decisions of the Joint Committee on Remuneration and approval by the Board of Governors; and
    - o $14.2 million for Board of Governors, Development Committee, and Inspection Panel,
    - o of which $23.0 million are reimbursables; and
    - o $15.6 million for the Corporate Secretariat.
- That the Grant-Making Facilities be funded as follows:
    - o $50 million for the Consultative Group on International Agricultural Research (CGIAR);
    - o $56.2 million for the Development Grant Facility (DGF);
    - o Up to $33.3 million for the State and Peace Building Fund (SPF);

[1] The Independent Evaluation Group's (IEG) budget is subject to a separate Board approval process, in which IEG is proposing a budget of $33.2 million (FY12$), including $7.4 million of reimbursables and a one-time allocation of $0.7 million.

  - Up to $16.5 million for the Institutional Development Fund (IDF); and
  - $5 million for the Global Partnership for Social Accountability (GPSA).[2]

- Creation of a set-aside for financial remedy income. Management recommends that funds received as financial remedy over FY12 and FY13 be initially placed in a set-aside pending separate Board approval of the eventual disbursement mechanism.
- That $319.7 million be contributed to the Staff Retirement and related Plans;
- That $38.2 million be provided to the proposed Post-Retirement Contribution Reserve (subject to Board approval of the establishment of the Reserve).
- That the capital budget be set at $171.1 million.

[2] The GPSA facility has been approved "in principle" and will be discussed at the Board on June 12, 2012. Approval of the budget recommendation is subject to Board approval of the facility.

2. A REFLECTION ON THE FY13-15 BUSINESS PLANNING PROCESS AND BOARD DISCUSSIONS

This section reviews the ongoing changes to the Bank's budget and business planning process, together with refinements to the four points of engagement with the Board and to regular corporate performance reporting. It also provides a recapitulation of the main issues identified in this year's conversation with Executive Directors and Management's plans to address them over the coming year.

2.1 REVAMPING THE BUDGET AND BUSINESS PLANNING PROCESS AND BOARD ENGAGEMENTS

9. ***The ongoing revision of the Bank's business planning approach began in early FY11.*** The main objective is to strengthen the strategic focus of planning discussions and increase budget flexibility over time, with five overlapping and mutually supporting goals:

   i. ***Move to a holistic budgeting process that is more grounded in results and based on work program needs.***
      - To gain a better understanding of how resources are used across units and work programs, Management has placed greater emphasis on identifying and discussing current issues in managing the institution. The main instruments facilitating this revised process are 3-year business plans for units, and more structured conversations between Senior Management and Vice Presidents. Last year's Medium-Term Strategy and Finance (MTSF) and this year's Medium-Term Business and Finance (MTBF) papers reported on the outcome of these discussions and how they informed the subsequent budget frameworks.
      - A challenge for Management is to ensure that the process is as streamlined as possible, and that it meshes well with the units' own planning cycle as well as that of the Board.

   ii. ***Place greater emphasis on thematic cross-cutting issues, as opposed to a purely VPU-centric approach, to improve work program alignment across the Bank.***
      - The focus of the internal process over the past two years has been on cross-cutting issues identified on the basis of unit business plan reviews and corporate center analytics. Providing a space for a more structured conversation between Senior Management and Vice Presidents has given a stronger basis on which to make final budget allocation recommendations.

   iii. ***Reinforce accountability for the use of resources through regular performance reviews to monitor progress in implementing business plans.***
      - All units will ultimately have a Memorandum of Understanding (MOU) agreed with Senior Management. MOUs were piloted by the Regional VPUs in FY12 and performance conversations around key indicators took place through the ABCD process.

- Drawing on early lessons from the Regional exercise, Management is reviewing the structure and framework of the MOU for further improvement. The emphasis is on streamlining the document, including the number of performance metrics, to facilitate a more targeted evaluation of performance. Consistency and alignment with the Bank's Corporate Scorecard is also being assessed (see Box 2.1). Findings are informing the updates of the Regional MOUs, and the development of MOUs for Network Anchors, which will be in place for FY13. MOUs for Finance, Administrative, and Corporate units (FAC) will be developed for FY14.

Box 2.1: A Window on Results

The Corporate Scorecard is designed to provide a snapshot of the Bank's overall performance in the context of development results. It is a public document, but it also facilitates strategic dialogue between Management and the Board on progress made and areas that need attention. The Corporate Scorecard uses an integrated results and performance framework consisting of a four-tier structure that groups indicators along the results chain.

Internally, the Corporate Scorecard is being enhanced with drill-down capabilities. It will be complemented with MOUs between Senior Management and VPUs, in which units identify their strategic objectives (Tier 1 and 2) in line with corporate priorities and commit to a set of performance indicators (Tier 3 and 4) capturing the effectiveness and efficiency of work program delivery. The indicator selection and improvements sought in targeted areas are informed by ongoing business planning and performance conversations between Senior Management and Vice Presidents.

Together, the Corporate Scorecard and the MOUs form the next steps in increasing the emphasis on results and performance in the corporate level budget and business planning process.

iv. Implement greater transparency in budget allocations through a more open and engaging process with the Board, Management, and staff.

- The revised process has resulted in much more involvement by Vice Presidents in business planning discussions with Senior Management. Management has also endeavored to increase the level of candor in Board engagements and to strengthen the focus on issues of concern. Feedback from Executive Directors has been positive.
- The new internal budget transparency website provides extensive information on the budget process and outcomes. This needs to be accompanied by strengthened outreach to units by the corporate center to explain the Bank's budget context, its process and the outcomes. Annex E provides more details.

v. ***Simplify and rationalize the management of institutional support services.***
    - Several process improvement initiatives of particular relevance to the budget process are currently underway as part of the Bank's business modernization – e.g., centralizing and ring-fencing IT depreciation, and simplifying chargeback. Annex E describes these budget-related process improvements.

10. ***The biggest challenge for the FY14-16 cycle will be to avoid process overload, particularly at the corporate center.*** FAC units were originally slated for their first "deep dive" business plans as part of the revamped process; Regions, having had an "off year" this cycle, are scheduled to produce detailed plans for FY14-16; and while Network Anchors, the World Bank Institute (WBI) and the Development Economics (DEC) unit were intended to have a light process, the unfinished business discussed in the MTBF (e.g., refining Network Anchor accountabilities) combined with the budget reductions proposed in this paper, suggest that they too will be subject to an intense process next cycle. Management will reflect over the summer on how to best respond to this challenge.

11. ***In parallel to the changes in the internal process, refinements have been made to the four points of engagement with the Board and quarterly corporate reporting has been improved.***
    - To support a more integrated picture of planning issues early on in the conversation with the Board, and provide more information on work program selectivity, Management introduced several changes to the content and timing of this year's engagement points. The previous first two engagements were combined into one, the *Baseline and Emerging Directions* paper. At the same time, the twelve Regional, Network Anchor, WBI, and DEC Updates were incorporated into the second engagement point to inform the Board at the operational unit level on the strategic context of priorities and work program choices and trade-offs that guide resource allocation decisions.
    - Executive Directors appreciated these changes while identifying areas requiring further improvement – in regard to timing as well as content. Management has agreed to advance the timing of the operational updates, to better synchronize with related internal business planning discussions and Board engagements. Management will also reflect on the Board's views on content, while recognizing the risk of overloading the updates, and come back to the issue in the fall.
    - To streamline and align Management's quarterly reporting to the Board, a number of Board reports have been consolidated into *the Quarterly Business and Risk Review (QBRR)*. This new reporting framework is based on the Corporate Scorecard and aims to provide greater clarity and a more comprehensive view of Bank performance.

2.2 MAIN ISSUES IN THIS YEAR'S BUDGET CYCLE

12. This year's budget conversation with the Board focused on four main issues, all of which will likely continue to feature in next year's conversation.

i. ***Selectivity – A recurring concern of the Board, and of Management.***

- As highlighted in previous documents, work program selectivity results from an interaction between client countries and the Bank – consistent with the institution's country-based engagement framework. At the same time, this dialogue with client countries takes place in the context of the Bank's existing framework of corporate priorities.
- Consistent with this approach to selectivity, the Board has sought a clearer understanding of the choices and trade-offs that are made at the operational level. In response, the corporate guidance provided to the Regions and Network Anchors on their FY12 Updates asked that they specifically address selectivity in their business planning and highlight the choices they are making to support client needs and implement the Bank's strategic priorities within their existing work program funding.
- While Executive Directors were generally satisfied with the information provided in Regional Updates, they felt that Network presentations were uneven in this regard. They specifically asked that future updates be more candid on the challenges faced in being selective.
- At the corporate level, limited institutional budget flexibility has required Management to make difficult choices as well. As discussed in the MTBF, and elaborated on in Section 3, savings and redeployments across units have been identified to supplement pre-existing budget head room (or flexibility) and provide additional funding in support of specific corporate priorities.

ii. ***Quality – Many Executive Directors have been concerned over the impact of constrained budgetary resources in combination with enhanced work program demands on the quality of Bank operations.***

- Maintaining operational quality under sustained work program demands and constrained budgetary resources is critical to the Bank's effectiveness. The recent decline in operational quality indicators is therefore a cause for concern.
- In the *FY13-15 Baseline and Emerging Directions* paper Management noted its view that the main question concerns how well existing budgetary resources are being allocated. The demands resulting from the global economic and commodity price crises over the past few years have clearly strained the Bank's limited resources. It should be recalled, however, that in response to the crises real budgetary expenditures increased by 4.7 percent in FY10 over FY09, and will remain 2.7 percent over FY09 in FY13 when budgetary expenditures return to the flat real line.
- The MTBF indicated that some factors in the recent decline in portfolio quality ratings may have been insufficient technical support to operational teams, inadequate flow of technical knowledge from Networks to Regions, and the broad span of control of sector managers. A contributing element may also have been managerial decisions on resource allocation, in particular in regard to the budgets of Regional Sector Management Units (SMUs). The paper outlined how Management was addressing each of these elements, and this year's budget

proposal tackles a number of them (e.g., $10 million to the SMUs to, among other things, strengthen operational quality).

- While Executive Directors generally welcomed the various measures proposed by Management, many remained concerned with the issue. Some continued to request an assessment of the impact of the flat real budget constraint. Some sought a better understanding of the effects of Human Resources (HR) policies on quality, including the growing use of renewable term appointments. One Executive Director cautioned against adding new layers of procedures to existing ones.
- A number of measures aimed at strengthening operational quality will be implemented during FY13. These build largely on the investment lending reform initiative and the framework for accountability and decision-making, which requires clear definition of roles, purposes, and follow-up for each key decision point. The strengthened quality assurance measures focus on the clarification of accountabilities in the decision-making processes throughout the project cycle:
    - *Enhancing mechanisms for technical quality inputs at project design and during implementation*. A clear mandate has been given to the Network Anchors to facilitate access to technical quality expertise, including by improving the organization of peer reviews and provision of technical input by the full Network.
    - *Strengthening quality monitoring and reporting at the corporate level*. This will be based on a more systematic aggregation and validation of team self-assessments throughout implementation. It will fill the current gap between quality support and assurance at entry, which is carried out by the Regions, and the evaluation ratings at exit produced by IEG. This approach will ensure that there are more timely management signals on quality during project implementation, when changes can still be made to positively affect outcomes.

An Executive Director's Seminar on this renewed approach is planned for June 20, 2012.

iii. ***Trust Fund Reform - Instituting policies and processes to better integrate Trust Funds into work program and business planning.***

- There is a broad expectation among Executive Directors of continued progress in implementing the Trust Fund reform road map, including in regard to strengthened oversight by Senior Management and the Board. In the *FY13-15 Baseline and Emerging Directions* paper, Management indicated that improvements to Bank-Executed Trust Funds (BETFs) would focus on (i) further integration with budget planning and (ii) stronger analysis of BETF use and associated staffing implications.
- The MTBF paper devoted a full section to BETFs. It discussed some of the drivers of the strong growth in work program funding that the Bank has seen from this source over the past years. The paper also highlighted progress in better managing the institution's use of BETFs – particularly in the areas of governance, alignment and cost recovery – with an

analysis of the composition of BETF disbursements through three specific lenses. While the section concluded that BETFs are, for the most part, consistent with Bank strategies, it also identified a number of areas requiring continued or additional Management attention, including ensuring that Bank strategies drive the work program (of both Bank budget and BETFs), reviewing the role of BETFs in financing the preparation and supervision of non-co-financed IBRD/IDA projects, and work programming across all funding sources.

- The issue of BETF use to fund a portion of the Bank's work program was prominent in the Board discussion of the MTBF. Executive Directors supported continued dialogue with Management on BETFs, and agreed that work should proceed on the issues identified in the paper. Additional points of concern to at least several Executive Directors included:
    - Potential vulnerability to an unanticipated, sharp downturn in donor contributions to Trust Funds – with concerns centered on the implications for knowledge work and areas/activities the Bank would do less of;
    - Defining the proportion of work program funding by BETFs that may be considered too high; and
    - The need to have a common view of what constitutes *core* work in the Bank, and whether or not BETFs should be used for such activity.
- Management intends to continue the dialogue with the Board on BETFs over the next budget cycle, and will respond to the concerns identified in the MTBF discussion.

iv. ***Crisis preparedness will remain a priority over the FY13-15 period*** – to assure the Bank has capacity to respond to possible increases in client demand resulting from unexpected external events.

- Management and units are taking steps to ensure programs and instruments as well as funding and organizational effectiveness will support any needed crisis response.
- At the corporate level, instruments such as IDA's Crisis-Response Window and Immediate Response Mechanism, and IBRD's Exposure Management Framework allow the Bank to respond quickly should emergencies arise. Management has also discussed with the Board the possibility of an Enhanced Access Facility for IBRD borrowers on flexible terms with respect to pricing and maturities.
- The upper two percent of the budget flexibility band is accessible should the need arise due to a significant economic downturn, or emergence of a new global crisis affecting our clients. In addition, a corporate contingency will be maintained for within-year use over the FY13-15 planning cycle – set at $5.0 million in FY13, $7.5 million in FY14, and $10.0 million in FY15 – particularly to help the Regions respond more effectively to unforeseen events.
- The MTBF paper highlighted the main work program areas linked to crisis preparedness and summarized the various actions undertaken and instruments used by Regions and Network Anchors to strengthen their crisis response capacity, and to assist clients in reducing the

likelihood and impact of shocks. To varying degrees, operational units outlined the actions they are taking to strengthen their roles in assisting clients to prepare for and respond to crises in their recent Board Updates.

- The Europe and Central Asia (ECA) Region, e.g., noted that past engagement – including renewed and deeper policy dialogue in most vulnerable countries – has better equipped the Bank to step up financial and analytical support in response to spillovers from the ongoing Euro zone crisis. Other dimensions include ongoing and planned technical assistance, including crisis monitoring; flexibility to top up Development Policy Loans (DPLs) and credit lines; and closer engagement with the European Commission, the International Monetary Fund (IMF), and other partners on crisis response.
- The East Asia and Pacific (EAP) Region is helping client countries become more resilient to natural disasters, and to respond when they happen. A key feature in responding to disasters is rapid access to post-disaster liquidity – through Catastrophe Deferred Draw Down Options, as well as rapid post-disaster contingent financing components in operations.
- During their discussion of the MTBF paper, Executive Directors focused on the need for the Bank to increase budget flexibility. This was considered critical for two reasons – to fund an adequate contingency for intra-year use and to provide scope for allocations to key corporate priorities in the budget itself.
- Management agrees with the Board on the need to restore budget flexibility, and provides more information on context and suggested approaches in Annex A.

13. ***In addition to these four issues, Executive Directors stressed a number of other points during the MTBF discussion.***

- ***Management and the Board agreed to further review the costs and benefits of decentralization.*** The MTBF featured a discussion of decentralization costs, emphasizing the need for a more tailored approach. Management committed to refining the current costing methodology by the end of the calendar year and implementing a tailored approach to decisions affecting work location in order to more consistently consider costs and benefits.
- ***Management and the Board agreed that any mechanism designed to increase corporate budget flexibility, such as the old "productivity tax," should avoid penalizing the most vulnerable client countries.*** As discussed further in Section 3, the main purpose of such a measure will be to return budget room to the corporate center every year. Management intends to build clear incentives into the system which will drive efficiency without penalizing work in difficult environments.

3. FY13-15 BUDGET FRAMEWORK

This section sets out the details of the FY13 budget recommendation, explaining the rationale for the proposed use of available budget room and resource reallocations.

3.1 SUMMARY OF THE FY13 ADMINISTRATIVE BUDGET PROPOSAL AND EXPECTED EXTERNAL FUNDING

14. With the return to flat real budget expenditure levels in FY13, the challenge continues to be how to deliver an expanded work program, while preserving the flexibility to respond to rapidly changing client needs within a constrained resource envelope. Management's response to this challenge is to focus on increasing budget flexibility, work program selectivity, and operational and organizational effectiveness.

15. The proposed FY13 budget and work program supports the Bank's core business and maintains some room for contingencies. Table 3.1 summarizes the main components of the proposed budget and the rest of this section provides further detail on each budget item. Unit and program resource envelopes are set out in Annex B.

16. To implement the work program along the key priorities and parameters endorsed by Executive Directors, Management seeks approval of a FY13 net administrative budget that is flat in real terms, consistent with Board guidance to return to flat real budget spending by FY13. In nominal terms, the net administrative budget will increase by around $47.1 million (2.6 percent) after the application of the Board-approved price factor methodology (Table 3.2).

17. ***Taking into account "below-the-line" items, the total administrative budget will increase in nominal terms by 4.7 percent ($111.8 million) to $2,499.7 million.*** Including reimbursables and Bank-Executed Trust Funds, total funds will grow by 5.2 percent to $3,513.3 million.

Table 3.1: FY12/13 Budget and Total Funds Summary ($ million)

		FY12 Budget	FY13 Budget	Change	% Change
Net Admin Budget	Net Admin Budget in FY12$[1]	**1,823.3**	**1,823.7**	0.4	0.0%
	Price increase		47.1	47.1	
	Net Admin Budget ($Nominal)	**1,823.3**	**1,870.8**	**47.5**	**2.6%**
	Memo: Board-approved expenditure range	+/-2%	+/-2%	0.0	
Below-the-line items	Budget for Boards, SEC, IEG (FY12$) [2/]	104.3	107.5	3.2	3.0%
	Board , SEC and IEG price increase		2.5	2.5	
	Contribution to Staff Retirement Accounts	299.4	357.9	58.5	19.5%
	Grant Facilities (DGF, SPF, IDF, GPSA, CGIAR)	161.0	161.0	0.0	0.0%
Total Admin Budget	Sum of NAB and below-the-line items	**2,387.9**	**2,499.7**	**111.8**	**4.7%**
External Funds	Bank-Executed Trust Funds (BETFs)	621.8	660.2	38.4	6.2%
	Total Reimbursables	331.1	353.4	22.3	6.7%
Total Funds	Total Admin Budget and External Funds	**3,340.9**	**3,513.3**	**172.4**	**5.2%**

[1] Transfer of budget from Boards, SEC and IEG to EXT and IMT of $0.4 million. These transfers from below-the-line to above-the-line items explain the difference in net administrative budget from FY12 to FY13 in FY12$.

[2] Board budget of $107.5 million in FY13 is net of reimbursables. IEG includes $0.7 million one-time allocation.

Box 3.1: Presentation of Bank Resources in the Budget Document

The Board approves the net administrative budget for the IBRD/IDA work program, i.e., the portion of the Bank's work program funded by IBRD and IDAs' own resources.

However, the Bank also receives resources from two other sources:

Reimbursables are revenues generated when the Bank provides operational and/or administrative services to external organizations and/or parties (such as staff), or shares administrative costs through negotiated cost-sharing arrangements. The term includes income from Fee-Based Services as well as fee income received by the Bank for administering Trust Funds. The Bank also receives reimbursements for services provided to staff (e.g., personal trip or personal phone call reimbursements, parking).

Trust Funds are donor contributions held and accounted for separately from WBG assets. The World Bank categorizes Trust Funds into two groups, IBRD/IDA Trust Funds and Financial Intermediary Funds. IBRD/IDA Trust Funds, where the Bank plays an implementing role, can be used in the form of Recipient-Executed Trust Funds (RETFs) or Bank-Executed Trust Funds (BETFs). BETFs complement the Bank's administrative budget to deliver knowledge services, lending and supervision (primarily of RETFs), and administrative costs of managing Trust Funds. BETFs are administered in accordance with the provisions of the Bank's Administrative Manual, which also applies to the Bank's administrative budget.

This year's Budget document presents the Program Cost Summary table in a new format (Annex B) which improves the integration and presentation of these sources of funding.

3.2 THE NET ADMINISTRATIVE BUDGET

18. The net administrative budget is the portion of the Bank's work program that is funded by IBRD and IDA resources. The MTBF described the Bank's overall approach to work program budgeting at the corporate level. It noted that the normal budgeting process is incremental rather than zero-based. As the Bank's work programs are multi-year and based on a long-term engagement with clients, there is an inherent degree of budget stability from year to year. Changing priorities and shifts in the Bank's strategic approach are, however, evident in unit budgets over the longer term.

19. Each year's planning cycle builds on the three-year budget allocations agreed in the previous year. At the heart of the planning cycle is a structured conversation between Senior Management and Vice Presidents on business planning challenges and issues, which is informed by unit business plans and corporate analytics. This conversation enables Senior Management to identify particular issues related to the effectiveness and efficiency of the overall work program, as well as to come to a view on the appropriateness of the overall distribution of the Bank's net administrative budget in the context of the institution's evolving work program and priorities.

20. This year, the 12 Regional and Network Anchor Updates to the Board and the MTBF reported on unit priorities and approaches to selectivity, and on the main issues in this year's internal corporate planning conversation. The main themes of the internal conversation were:

    - *Enhancing regional work program flexibility.* Regions account for over 60 percent of the net administrative budget, and the main source of the Bank's work program flexibility comes from the Regional units making trade-offs and exercising selectivity in their work programs. Among the elements identified as limiting Regional flexibility in recent years are the significant scale-up in lending in response to global crises, combined with continued decentralization and a focus on fiduciary and safeguard controls. While these issues are being addressed in the context of the Bank's business modernization (e.g., Investment Lending reform, and staff mobility in country offices), Senior Management concluded that more resources needed to be allocated to Regional Sector Management Units (SMUs), which deliver the bulk of country client products and services. Increases in Regional budgets over the last five years have not translated into proportional increases in SMU budgets.

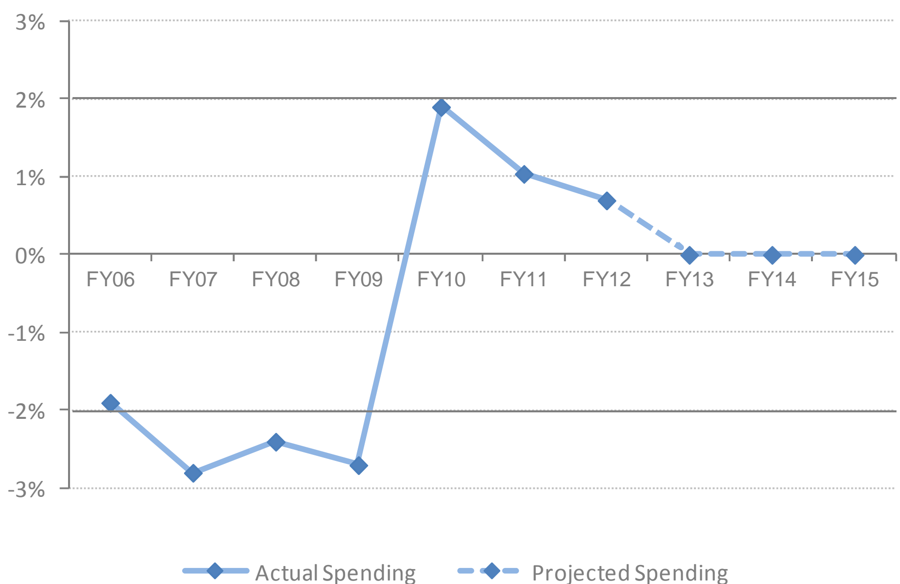
    - *Increasing Network Anchor effectiveness.* While Network Anchors have made significant progress in increasing their effectiveness in recent years, this year's planning process identified areas that need further improvements and management attention – developing analytical tools to help size Network Anchor budgets; building the new Network Anchor Accountability Framework into business management approaches and systems; and developing institutional principles for engaging in and disengaging from partnerships. Work is underway to address all three areas.

21. Since FY95, the Bank's net administrative budget has gone through a number of cycles of expansion and contraction – by the end of FY13, it will be approximately 4 percent higher in real terms than it

was in FY95. The budget has increased by an average of 3.3 percent a year in nominal terms, and 0.3 percent a year in real terms using the Bank's price deflator. Bearing in mind the expansion of the Bank's mandate and work program over the period, this is a significant achievement.

Since FY06, Management and the Board have agreed to keep the net administrative budget flat in real terms, to be managed within a band of +/- 2 percent. In FY10, to support the Bank's response to the global financial and economic crisis, the Board approved pre-programming use of the upper portion of the flexibility band to create set-asides for targeted scale-up and within-year adjustments of the work program where needed. The Board also made an additional 2 percent of flexibility available, but this was not used. As agreed with the Executive Directors, since the peak of the Bank's crisis response in FY10, Management has been steadily reducing spending to return to the zero line of the flexibility band by FY13 (see Figure 3.1).

Figure 3.1: Net Administrative Budget Utilization FY06-FY15



3.3 REALLOCATING FUNDS IN THE PROPOSED FY13 NET ADMINISTRATIVE BUDGET

22. As discussed in the MTBF, Management's corporate budget decision-making process has four conceptual strands:

    i. Assessing budget flexibility available at the beginning of the budget allocation process;

    ii. Scoping potential funding requirements;

    iii. Considering the availability of resources to fund requirements; and

    iv. An iterative reconciliation of funding requirements and resource availability.

23. ***The key challenge this year was to increase availability of budget resources to fund specific corporate priorities.*** The FY13-15 planning cycle began with available budget flexibility estimated at around $15 million in FY13 and reducing to around $12 million in FY14 and FY15. Based on a review of funding requests in unit business planning submissions, a further review of corporate priorities, and consideration of the size of contingency required for FY13, total funding requirements were in the order of $70-85 million. Following an initial consideration of potential funding sources, the iterative reconciliation resulted in a decision to fund approximately $45 million of the identified requirements. The MTBF described this process in greater detail, including the considerations that led Senior Management to this conclusion.

24. In brief, Management decided to allocate $45 million in additional budget to activities in three priority areas: 1) responding to important economic and political developments (in North Africa, Sub-Saharan Africa, and Eastern Europe); 2) business modernization, including open data and knowledge governance and reducing sector manager span of control; and 3) specific corporate priorities, such as support to countries affected by fragility and conflict, and strengthening implementation and operational quality. To fund these allocations, Management supplemented the $15.1 million in uncommitted budgetary resources with redeployments from Network Anchors, DEC, and WBI; reductions to the Knowledge and Learning Council (KLC) budget, resources from the projected growth in Trust Fund Fee recovery, and targeted expense cuts. Table 3.2 below provides an overview of the uses and sources of funds.

Table 3.2: Sources and Uses of Funding[3]

SOURCES AND USES	FY13	FY14	FY15
USES			
Economic and Political Developments in the Regions	14.0	19.1	18.7
Crisis Events and FCS[1]	9.0	11.6	8.7
Corporate Contingency	5.0	7.5	10.0
Business Modernization	18.2	25.9	29.2
Regional SMUs' Span of Control	3.0	3.0	3.0
Open Data and Knowledge Governance	3.4	5.1	4.1
IT Investments, Global Staff Mobility, Risk, and Client Surveys	11.9	17.8	22.1
Corporate Priorities – FCS, Implementation, Operational Quality	10.0	10.0	10.0
Other[2]	2.6	2.6	2.6
TOTAL USES	**44.8**	**57.6**	**60.5**
SOURCES			
Available Flexibility	15.0	12.0	12.0
Trust Fund Fees	3.5	5.0	8.0
Regional Fee-Based Services[3]	0.0	5.0	10.0
Expense Cuts	4.0	5.0	5.0
Productivity Tax[4]	0.0	10.0	36.0
Network Anchors	12.0	12.0	12.0
DEC and WBI	2.0	2.0	2.0
Knowledge Learning Council (KLC)	8.0	8.0	8.0
TOTAL SOURCES	**44.5**	**59.0**	**93.0**
SOURCES – USES	**-0.3**	**1.4**	**32.5**

[1] Europe and Central Asia (ECA) Region, Middle East and North Africa (MNA) Region - Libya, Africa (AFR) Region - South Sudan
[2] Other includes an increase in UN Field Security Costs
[3] Including Reimbursable Technical assistance Program in MNA.
[4] Budget flexibility/productivity tax for FY14 and FY15 will be adjusted after the completion of work to develop an improved methodology for the tax.

CORPORATE BUDGET ALLOCATIONS

25. Details on the three priority areas identified by Senior Management are below.

i. ***Response to significant economic and political developments affecting client countries ($14.0 million in FY13, $19.1 million in FY14, $18.7 million in FY15).***

- Additional allocations will help step up Bank support for urgent crisis and client needs principally in AFR, ECA, and MNA, including a minimal institutional contingency to respond

[3] Table 5.2 in the MTBF - Corporate Contingency funding was $5 million per annum; Corporate Priorities was $12.5 million in FY14 and $20 million in FY15; total FY15 Expense Cuts were shown as zero.

to unforeseen regional business needs that may arise in the course of the year. Funding will primarily support the following:

- ***Urgent crisis needs ($5.5 million in FY13, $8.1 million in FY14, $5.2 million in FY15).*** Supplemental allocations include re-engagement in Libya ($2.9 million in FY13 and FY14), and for South Sudan ($2.6 million in FY13, $5.2 million in FY14 and FY15) to relieve the cost pressures associated with the expiration of the South Sudan Multi-Donor Trust Fund.
- ***ECA – Euro-zone Crisis ($3.5 million in FY13, FY14 and FY15).*** The worsening euro-zone situation could dramatically affect ECA countries through financial and trade linkages. Given developments, overall day-to-day monitoring has intensified to analyze the evolving crisis and linkages across countries and between the real and financial sectors.
- Bank staff are providing technical assistance in the financial sector to help mitigate a worsening of the situation in selected countries and are closing knowledge gaps to respond more effectively. ECA will also be increasing lending for crisis-related tasks, with projected IBRD lending for FY12-13 up from $12.2 billion to $15.8 billion.
- ***Corporate Contingency ($5 million in FY13, $7.5 million in FY14, $10 million in FY15).*** In FY13, this modest contingency will be used to help Regions address unforeseen developments. Management initially considered a $10 million contingency for FY13, but concluded that it was more important to direct available budget to the frontlines as early as possible.
- The need to access this contingency has materialized sooner than anticipated, with fast moving ***political developments in Myanmar.*** Management is reviewing funding needs and will likely use part of the $5 million corporate contingency for this purpose. See Box 3.2 for more information on the Myanmar program.

Box 3.2: Myanmar Program

In response to Myanmar's ongoing reforms, the Bank Group is in the process of reengaging. The preparation of an arrears clearance plan is underway in coordination with other creditors. The Bank has begun drafting an Interim Strategy Note that will provide a strategic and operational framework for the Bank Group which would include Analytic and Advisory Activities (AAA) in the areas of public financial management, investment climate and the financial sector, and providing support in the areas of livelihoods and food security.

The Region would also prepare project proposals to be funded by the State and Peace-Building Fund (SPF). Following the clearance of arrears it is anticipated that Myanmar would again access regular IDA resources.

ii. Business Modernization ($18.2 million in FY13, $25.9 million in FY14, $29.2 million in FY15).

- ***Allocations to business modernization will help fund initiatives on reducing the span of control for Sector Managers, open development and data, client surveys, knowledge measurement and governance, risk management, and enhancing the Bank's finance and information systems.*** The breakdown is as follows:
- ***Span of Control ($3 million in FY13, FY14 and FY15)***. Management's decision to limit Sector Managers' oversight to no more than 25-35 staff affects four Regions. While SAR and LCR have made internal management changes to remain within the new limits on the span of control, additional resources are allocated to EAP ($1 million in FY13, FY14 and FY15) and AFR ($2 million in FY13, FY14 and FY15) for additional Sector Managers to reach the target span of control.
- ***Open Data and Knowledge Governance ($3.35 million in FY13, $5.1 million in FY14, $4.1 million in FY15).*** Additional resources for DEC ($1.6 million in FY13, FY14 and FY15) are aimed at data curation work, capacity building, and tools promoting open knowledge. Allocations to WBI ($0.75 million in FY13 and $1.0 million FY14) support the scaling up of the Mapping for Results initiative into areas such as incorporating beneficiary feedback mechanisms. Allocations to OPCS ($1.0 million in FY13, $2.5 million in FY14, $2.5 million in FY15) support the VPU's new work program and mandates for knowledge (governance, coding, and quality review for knowledge products) as well as the integration of the Reform Secretariat into OPCS.

Box 3.3: Open Knowledge Repository

The World Bank Open Knowledge Repository (OKR) is the new online home specifically dedicated to the institution's research and knowledge products. The OKR supports the Bank's new Open Access Policy, which goes into effect on July 1, 2012. The World Bank is the first major international organization to implement an open access policy and to adopt Creative Commons licensing for its research and knowledge products. This policy builds on other recent efforts to make the Bank more open, including the Open Data Initiative and the Access to Information policy.

More than 2,000 works from 2009-2012 are currently available free of charge and without restrictions in this new search-engine friendly repository, including annual flagship publications, such as the World Development Report, academic books and practitioner volumes, publicly disclosed Economic and Sector Work (ESW), and 2007-2010 journal articles from the World Bank Research Observer and World Bank Economic Review.

Each work deposited is associated with rich metadata that will help generate better search results and improve online discoverability. Anyone can distribute, reuse, and build upon the research works in the OKR, including commercially. OKR benefits also include long-term preservation and citation tools. The OKR will be updated regularly with new publications and other research products. Content published prior to 2009, datasets associated with Bank research, and translated editions will be added in future phases.

- ***IT Investments, Risk, Client Survey, Global Staff Mobility ($11.9 million in FY13, $17.8 million in FY14, $22.1 million in FY15).*** Major allocations will go to three main IT-related areas: Financial Systems Renewal, Global Mobility/Consumerization of IT, and Cyber Security. Additional details were provided in the MTBF. Allocations for the business modernization will also support enhanced risk functions in the WBG Chief Risk Officer's unit, expansion of the client survey program in EXT from 20 to 47 countries, and the Global Staff Mobility support initiative.

iii. Corporate Priorities: Specific corporate priorities, such as support to countries affected by fragility and conflict, and strengthening implementation and operational quality.

- Additional allocations will boost resources available to Sector Management Units, the Bank's primary units for the delivery of services to country clients. Regional VPUs are currently developing proposals on how to invest these funds. As resources are limited, allocations will need careful prioritization to ensure they have a meaningful impact.

FUNDING SOURCES

26. Existing corporate budget flexibility, redeployments, reductions, and savings will be used to fund the priority activities discussed above. Details on each source follow below.

27. As noted above, available budget flexibility at the beginning of the planning cycle was approximately $15 million in FY13 and $12 million in FY14 and FY15. Flexibility has been constrained by the combination of increasing work programs and the planned return to flat real net administrative spending by FY13. A discussion of budget flexibility and steps to increase it over the medium term is included in Annex A.

28. ***Redeployments from Network Anchors, DEC and WBI total $14 million*.** These reductions are being made to unit envelopes that were already on a declining trajectory. Total planned real budget reduction for the six units over FY11-14 was 4.6 percent. In discussions following the MTBF, it was agreed that the Network Anchors would absorb $12 million of the reduction to support Regional SMUs, with the remaining $2 million coming from DEC and WBI.

29. As work to develop an analytical approach to inform the sizing of the Network Anchors is still at an early stage as discussed in the MTBF, the distribution of the $12 million reduction across the four Network Anchors was largely determined on a pro rata basis, modified to take into account differential access to BETFs. The distribution of the reductions will be: SDN $4.90 million, FPD $2.99 million, HDN $2.44 million and PREM $1.67 million. For DEC and WBI, the $2 million reduction was distributed on a pro rata basis, resulting in reductions of $1.01 million for DEC and $0.99 million for WBI. See Box 3.4 for a brief description of the approaches units are taking to handle the proposed cuts.

Box 3.4: How Network Anchors, WBI and DEC are approaching the proposed budget reductions

FPD plans to obtain savings through implementing further efficiency gains (e.g., travel expenses, space reduction), taking into account Trust Funds and cross-support opportunities to offset staff costs, and better aligning its staff composition and strategy. The FPD Council is currently working on identifying ways to reduce expenses, exit from non-priority activities, off-shore some activities, and decrease overall staff in the Anchor over the coming 2-3 years.

HDN has adjusted its unit budget envelopes to accommodate the reduction. For those with a high fixed cost ratio, the budget reduction will translate into staffing adjustments/reductions. Rigorous strategic staffing reviews by sector are currently underway to identify potential rotations for staff and positions that can be eliminated. Additional strategic staffing reviews will identify skills and talents needed by the overall Network (in each Sector) in three years and ways to achieve the required skills mix. The HD Council met on May 17 to discuss the implications of budget reduction for the HDN Anchor and its staffing. The FY13 HDN Anchor budget and work program is being reviewed by the respective Sector Boards to ensure that allocations are strategic, relevant and results-oriented and will be presented to the HD Council for its concurrence in mid-June.

PREM has been reviewing its work program in light of its reduced budget. The unit is working towards a lower staffing contingent using a strategic review of its current staffing based on business priorities and regional demands for cross-support. In addition, the unit plans to restrict travel and keep STC recruitments to a minimum in FY13 while it is making the necessary structural adjustments aimed at reducing fixed costs.

SDN is assessing scope to work differently across the Network and to revise the depth and pace of implementation of individual sector strategies. Cross-cutting frameworks and action plans will drive greater use of integrated solutions and approaches to program delivery, eliminating free standing and isolated products. The Anchor expects to exit from particular business lines where sustainable capacity now exists within the Regions to drive program implementation, or where there is insufficient capacity to deliver innovative, high impact knowledge and communications services. Explicit use will be made of the new Network Accountabilities Framework to ensure that deployment of resources in the Anchor is focused on where it can add most value.

DEC aims to rationalize its engagement in selected areas. This will be achieved through a combination of hiring freezes on select positions and by replacing higher level staff, where feasible, with staff at lower levels. Lower priority non-core and administrative functions will be reduced.

WBI plans to: (i) make tough choices on consolidation and reprioritization of programs that continue to be in demand (e.g., Trade and Integration, Immersive Learning, Cities and Carbon, Climate Smart Agriculture); and (ii) gain efficiencies by reducing the planned fixed cost ratio.

30. ***Reductions to the Knowledge and Learning Council (KLC) budget are being re-allocated to knowledge-related corporate priorities*.** KLC's budget was planned to increase to \$15.6 million by FY13. \$8.0 million of the originally planned budget is now reallocated to fund initiatives associated with Open Data, knowledge coding, and knowledge-based corporate priorities, all of which are part of the knowledge agenda. The remaining \$7.6 million will support ongoing KLC commitments such as knowledge platforms (e.g., Jive, SharePoint) and technical specialists.

31. ***Additional resources from Trust Fund fees, Fee-Based Services, and reductions in expenses will be shifted to corporate priorities*.** Several measures were explored as detailed below:

- ***Trust Fund Fees ($3.5 million in FY13, $5.0 million in FY14, $8.0 million in FY15).*** Changes in the fee schedule for IBRD/IDA Trust Funds were introduced in April 2011. The new fee scale will improve cost recovery by an estimated $23 million over the medium-term, depending on donor contributions. CFP has launched a study to explore further simplification of fees. This work is being closely coordinated with CFR, CTR, and other units, and should be completed this calendar year. In line with current practice, donors will be consulted during the review. In the short-term, indirect cost recovery rates will be updated and overall recovery trends better reflected in the budget framework.
- **Fee-Based Services[4] (to generate about $5.0 million in FY14, and $10.0 million in FY15).** The proposed FY13-15 budget framework anticipates increased reimbursements from Fee-Based Services in the outer years, with a view to improve the net budget balance. However, as stated by several Board members during the MTBF discussions, targeting increased levels of Fee-Based Services raises a number of issues that warrant Management attention, including: 1) providing systems to better manage and track the Fee-Based Services portfolio, including for budgeting and billing; 2) ensuring full cost recovery 3) protecting the Bank's role as an independent knowledge provider; and 4) ensuring the sustainability of the knowledge services business model. Opportunities for a significant ramp-up in Fee-Based Services revenues may be limited, at least in the short-term. If increases in Fee-Based Services prove not to be achievable or desirable, additional budget savings will need to be identified in FY14 and FY15. Since the MTBF, several of these issues have been addressed. OPCS is finalizing a review and is expected to recommend changes to the current Fee-Based Services framework to ensure greater Bank-wide consistency. The remaining issues are still under review.
- ***Continuation of the budget flexibility tax ($10.0 million in FY14, $36.0 million in FY15).*** Existing budget flexibility/productivity tax percentages are embedded within the FY13 budgets for all units. However, in last year's budget process, the tax was not applied for FY14. This decision reflected the need to advance further in revamping the budget planning process before considering significant reallocations. Senior Management has decided to reinstitute a budget flexibility tax for FY14 ($10 million) and FY15 ($36 million). The tax embedded last year for FY13 has not been changed. FY14 and FY15 unit level trajectory numbers shown in the Budget paper do not reflect the application of the budget flexibility tax. They will be adjusted after the completion of work to develop an improved methodology for the tax. A phased reimplementation of the tax, informed by a review of its application and use since its introduction, is anticipated. Management will address Board concerns that the tax should provide the right incentives, which may require a more tailored approach. Management intends to build clear incentives into the system to drive efficiency without penalizing units with most vulnerable countries and difficult work environments.

[4] Including the Reimbursable Technical Program assistance in MNA (RTA).

- ***Focusing on expense lines (with the potential to free up $4.0 million in FY13, $5.0 million in FY14 and FY15).*** In FY10, CFR completed a broad analysis of expense lines and services, looking at trends, cost drivers, and the history of cost management. Opportunities for further improvement were identified. Several initiatives have since been implemented, but some opportunities remain including further off-shoring, cutting the HQ lease footprint and spend on facilities. Savings in the range of $4 million are targeted in the first year.

3.4 BUDGET ALLOCATIONS BY UNIT TYPE

32. ***Funding for the front lines prioritized.*** Management continues to emphasize funding for the Bank's country-based work program in the FY13 budget proposal, with Regional Units' budget plan allocations increasing by $27.5 million compared to FY12 (Table 3.3). Network Anchor Units in contrast face a significant decrease of $23.5 million (or 13.9 percent). Other Operational Units (DEC, WBI, and OPCS) and Finance, Administrative and Corporate Units (FACs) will see a decrease of 2.4 percent and 0.3 percent in their respective budgets.

Table 3.3: Change in the Bank Budget Plan by Unit Type ($FY12 million)

	Regions [1]	Network Anchors	Other Ops [2]	FACs	All Units [3]
FY12 Bank Budget Plan	1,074.9	169.1	141.0	540.0	1,925.0
FY13 Bank Budget Plan [4]	1,102.4	145.6	137.6	538.4	1,924.0
FY13/12 Difference [4]	27.5	-23.5	-3.4	-1.6	-1.0
FY13/12 Percentage Change [4]	2.6%	-13.9%	-2.4%	-0.3%	-0.1%

[1] Corporate Contingency and Corporate Priorities are included to support Regional Programs.

[2] Other Operations consists of OPCS, WBI and DEC

[3] All Units excludes centrally managed accounts and below-the-line items

[4] FY13 allocations shown before remaps which primarily include cost recovery for web governance (web tax) and indicative Basic IT Package chargebacks

33. Estimates of expected growth in external funds show a different pattern, though they remain subject to significant uncertainty. As shown in Table 3.4, current external fund projections remain robust with an overall 4.8 percent increase in real terms ($42.5 million) for units (excluding central accounts, below-the-line items, and the Global Environment Facility). Network Anchors expect the highest growth in external funding (7.1 percent), followed by the Regions (4.6 percent), and FACs (3.0 percent).

Table 3.4: Change in External Funds by Unit Type ($FY12 million)

	Regions	Network Anchors	Other Ops[1]	FACs	All Units[2]
FY12 External Funds	414.7	247.5	55.0	173.8	891.0
FY13 External Funds	433.9	265.0	55.5	179.1	933.5
FY13/FY12 Difference	19.2	17.5	0.5	5.3	42.5
FY13/FY12 Percentage Change	4.6%	7.1%	0.9%	3.0%	4.8%

[1] Other Operations consists of OPCS, WBI and DEC

[2] All Units excludes centrally managed accounts, below-the-line items and GEF

34. External sources of funds consist of two main elements:

- ***BETFs.*** Most units are projecting increases in BETF spend in FY13. The increase in FPD's BETF projection, e.g., is largely due to the establishment of new trust fund programs for: Financial Inclusion, Competitive Industries, and Global Indicators along with the expansion of existing global program Trust Funds. In HDN, the increase relates to the Rapid Social Response and the Russia Education Aid for Development Trust Funds. The Global Partnership for Education is also expected to grow following its recent replenishment. The Trust Fund increase in HR reflects the growth in the externally-funded staffing program and staff costs. Since the MTBF, which projected $630 million in FY12 and $664 million in FY13 for BETFs, the unit's have updated and on average slightly lowered their projections.

Table 3.5: External Funds ($FY12 million)

	FY12	FY13	% Change
BETFs[1]	**621.8**	**650.0**	**4.7%**
Reimbursables, of which:	**333.1**	**344.6**	**3.2%**
Operational, TF-related	135.8	126.1	-7.2%
Operational, Fee for Service	58.8	72.7	23.6%
Other Operational	1.6	6.9	330.2%
Non-operational	137.0	138.9	0.9%
Total External Funds	**954.9**	**994.6**	**4.2%**

[1] Includes BETFs for all Units and Central Account/GEF

- ***Reimbursables.*** Projections for reimbursables (Table 3.5 and 3.6) show 3.2 percent real growth ($11.5 million). The Other Operational category increases from a low base due to projected reimbursements from the Singapore Government. The Fee for Services category, including RTA and Reserve Advisory and Management Program (RAMP), is also projected to grow due to increases in ECA and AFR. Network Anchors expect growth with stable revenues from program implementation, such as the Global Environment Facility and the Montreal Protocol, and growth in the Climate Investment Fund. Treasury (TRE) anticipates a

decline in fee income from its Pension Administration (1.8 percent FY13 in $FY12) and in its Asset Management Program for client countries (14.8 percent in FY13 in $FY12). As a result, in contrast to recent years when TRE reimbursables grew at a rapid pace, they will grow at the same rate as other FACs in FY13.

Table 3.6: Reimbursables by Unit Type ($FY12 million)

	FY12	FY13	% Change
Regions	108.3	114.1	5.4%
Networks/ other Opps	40.6	43.2	6.5%
FACs[1]	150.2	153.8	2.5%
IEG, COGOV/SEC	30.8	29.9	-2.9%
Others[2]	3.2	3.5	-5.5%
Total Reimbursables	**333.1**	**344.6**	**3.2%**

[1] Includes TRE's reimbursables, regularized into Bank Budget starting FY12

[2] Includes publication revenue and other income

35. Looking at the full work program funding, including Bank budget and external funds, overall spending is expected to increase by approximately 1.5 percent ($41.5 million) in real terms (see Table 3.7). This growth is concentrated in the Regions.

Table 3.7: Change in All Funds by Unit Type ($FY12 million) - Budget Plan and External Funds

	Regions	Network Anchors	Other Ops[1]	FACs	All Units[2]
FY12 All Funds	1,489.6	416.6	196.0	713.8	2,816.0
FY13 All Funds[3]	1,536.3	410.6	193.1	717.5	2,857.5
FY13/12 Difference[3]	46.7	-6.0	-2.9	3.7	41.5
FY13/12 Percentage Change[3]	3.1%	-1.4%	-1.5%	0.5%	1.5%

[1] Other Operations consists of OPCS, WBI and DEC

[2] All Units excludes centrally managed accounts, below-the-line items, ICSID, and GEF

[3] FY13 allocations shown before remaps which primarily include cost recovery for web governance (web tax) and indicative Basic IT Package chargebacks.

3.5 NON-UNIT SPECIFIC ACCOUNTS

36. In addition to unit-specific budgets, the net administrative budget includes several centrally-managed accounts that consolidate expenses not easily attributed to specific units (see Table 3.8 for details). The presentation of non-unit specific accounts spend will change significantly, mainly due to budget simplification work such as the elimination of chargeback credits for the Basic IT Services Package (estimated $67.3 million), and the remapping of Information Management and Technology

(IMT)-related depreciation expenses ($6.5 million). However, there are also a number of substantive (as opposed to process) changes:

37. Centrally-managed benefits will increase due to an increase in HRS-managed benefits ($9.3 million) and tax benefits ($1.7 million). These increases are partially offset by increases in credits from the benefit recovery process ($2.6 million).

- The cost of the HQ Real Estate Strategy, a separate reporting line item since FY10, has decreased from $16.3 million in FY08 and now provides a positive income flow to the Bank of $4.1 million in FY13 following the lease of the H-Building to the Unites States Government for a 10-year period starting mid-FY13.
- Non allocated savings include the anticipated increase in revenue from Trust Fund fee income and Fee-Based Services as well as redeployments stemming from application of the Budget Flexibility Tax, items which have not yet been allocated to individual VPUs.

Table 3.8: Non-Unit Specific Accounts ($FY12 million Bank Budget)

	FY12	FY13	Change
Staff Separation Fund	9.7	10.9	1.2
Business Continuity Plan	16.4	16.4	0.0
Institutional Programs	27.5	27.8	0.3
Centrally-Managed Overhead & Benefits	-178.5	-154.1	24.4
HQ Real Estate Strategy	16.3	-4.1	-20.4
Others[1]	4.4	3.5	-0.9
Non Allocated Savings	n/a	-3.5	n/a
Total	**-104.2**	**-103.1**	**1.1**

[1] Includes Funds yet to be allocated, Publication Revenue, Reimbursable Escrow and Foreign Exchange Contingency.

3.6 BELOW-THE-LINE ITEMS

BOARD-RELATED BUDGETS

38. There are no significant changes to Board-related budgets compared to last year (see Table 3.9 for details). Highlights are as follows:

- Following normal practice, the $74.4 million Executive Directors' budget includes the recommendation made by Committee on Governance and Executive Directors' Administrative Matters and approved by the Board on April 27, 2012 for a one-time budget allocation of $2.82 million for travel arrangements for Executive Directors and their staff to attend the 2012 Annual Meetings in Tokyo.

- Board of Governors, Development Committee, and Inspection Panel budgets amount to $13.9 million.
- Board reimbursable budget of $22.5 million represents cost sharing arrangements with IFC, MIGA and IMF.
- The proposed FY13 budget for the Corporate Secretariat (SEC) is $15.3 million.
- The proposed FY13 IEG budget covers its activities across the World Bank Group ($33.7 million). The cost of activities pertaining to IFC and MIGA are shown as reimbursables of $7.4 million. IEG will request a one-time increase of $0.7 million included in the table below.

Table 3.9: Board-Related Budgets ($FY12 million)

	FY12	FY13	% Change
EDs total	71.7	74.4	3.7%
Board of Governors	8.5	8.5	0.0%
DC Secretariat	1.9	1.9	0.0%
Inspection Panel	3.5	3.5	0.0%
Total: EDs, Board of Gov, DC Secretariat and Inspection Panel	**85.6**	**88.3**	**3.1%**
SEC	**16.3**	**15.3**	**-6.1%**
IEG	**33.1**	**33.7**	**1.9%**
Board, SEC Reimbursables	**-23.3**	**-22.5**	**-3.6%**
IEG Reimbursables	**-7.3**	**-7.4**	**1.2%**
Total	**104.3**	**107.5**	**3.1%**

- The FY13 recommended budget (in $FY13) for Executive Directors uses a preliminary price factor based on the Washington-Baltimore CPI. The price factor will be subsequently adjusted to reflect the decisions of the Joint Committee on Remuneration and approval by the Board of Governors.

STAFF-RETIREMENT AND RELATED PLANS

39. Using the Pension Finance Committee's approved rates for FY13, contributions to the Staff Retirement Plan ($193.4 million), the Retired Staff Benefits Plans ($72.3 million), and the Post Employment Benefits plan ($54.1 million) are expected to increase to an estimated total of $319.7 million in FY13 (representing 31.27 percent of net salaries), compared to $299 million in FY12. FY13 allocations are based on the funding methodology - first applied in FY11 - which involves the use of a five-year asset averaging method and a hybrid funding method that includes 10 years of expected staff hires in the valuation model. The FY13 allocations are $33.3 million lower than the estimated $353.0 million cited in the MTBF. The decrease reflects the lower contribution rates from the latest actuarial valuation, resulting from favorable participant experience during 2011.

40. In March 2012, Management discussed with the Audit and Budget Committees the establishment of a Post-Retirement Contribution Reserve Fund (PCRF). As a result of these discussions, Management plans to recommend the establishment of such a fund. The budgetary contribution rate for the Staff retirement and related plans would normally be the amount recommended by the Pension Finance Committee (PFC). For FY13, the PFC recommended rate is 31.27 percent. However, subject to Board approval of the establishment of the PCRF, Management is recommending that the budgetary contribution rate be 35 percent. This will result in an increase of $38 million in budgetary pension contributions, bringing the total to $357.9 million, which is $4.9 million higher than originally estimated in MTBF. This additional $38 million would go into the PCRF.

GRANT-MAKING FACILITIES

41. ***Management proposes that overall budget allocations for Grant-Making Facilities remain flat in FY13 and beyond*** (see Table 3.10). Grant-Making Facility allocations in FY13 are in line with MTBF projections. As described in the recent Board paper on Grant-Making Facilities, reallocations from the Institutional Development Fund (IDF) and the Development Grant Facility (DGF) will cover the funds needed for the new Global Partnership for Social Accountability (GPSA) facility.[5] The State and Peace Building Fund (SPF) and the Consultative Group on International Agricultural Research (CGIAR) allocations remain unchanged from FY12.
42. For the ***Institutional Development Fund (IDF)**,* Management plans to allocate $16.5 million for FY13.
43. The ***Global Partnership for Social Accountability (GPSA)*** is a new fund that will have consistent goals with the Civil Society Fund (CSF), which will be closed. Broadly, the new Fund will contribute to country-level governance reforms and improved service delivery by strengthening the capacity and sustainability of Civil Society Organizations (CSOs) at global, regional, and local levels to implement social accountability programs. The Bank's $5 million funding will come from the $2.8 million allocated to CSF in FY12 and $1.1 million each from IDF and DGF. The GPSA facility has been "approved in principle" and will be discussed by the Board on June 12, 2012. The budget recommendation is predicated on Board approval. The specific scope, role, focus and governance framework of GPSA are being worked on by stakeholders.
44. For the ***State and Peace-Building Fund (SPF)**,* Management proposes to allocate up to $33.3 million in FY13. The $100 million multi-donor fund's goal of strengthening state and local governance in fragile and conflict-affected situations (FCS) is aligned with the Bank's current strategic focus.
45. Management is proposing $56.2 million in funding to the ***Development Grant Facility (DGF).*** In FY09, DGF made a commitment to the Board to shift funding from Long-Term Programs to Short-

[5] On April 6, 2012, Executive Directors approved in principle the proposed introduction of the GPSA by repurposing the current Civil Society Fund expected for FY13-16, and the adoption of the Resolution to establish the Multi-Donor Trust Fund (MDTF). The final meeting is taking place on June 12, 2012 after this paper has been submitted to SEC for distribution. See also the President's Memorandum in *Global Partnership for Social Accountability and Establishment of a Multi-Donor Trust Fund,* (R2012-0063/1), May 18, 2012.

Term Programs. DGF is continuing to rebalance its portfolio and expects short-term program financing to be more than 50 percent in FY13.

46. Management is proposing to allocate $50.0 million to the ***Consultative Group on International Agricultural Research (CGIAR)***. CGIAR's work, funded by the Bank since 1971, is well aligned with the institution's priorities. The Bank currently ranks third among the 65 contributors to CGIAR.

47. ***Creation of a set-aside for financial remedy income.*** To ensure a consistent and transparent application of financial remedies as a component of the Bank's Sanctions Regime, there is a need to establish an effective mechanism for collecting and administering these funds. Management is currently developing such a proposal for Board approval.

48. As the income received through the Sanctions Regime is not available for allocation to uses other than to provide restitution and/or support governance and anti-corruption related activities in Bank client countries, Management recommends that funds received as financial remedy during FY12 and FY13 be initially placed in a set-aside. The set-aside will be disbursed into the agreed mechanism following its approval by the Board.

49. As the set-aside is funded out of the financial remedy income, it will have no impact on the overall envelope for Grant-Making Facilities. Management anticipates that the use of the financial remedy income will be discussed in each year's Budget Document and submitted for Board approval as part of the overall budget framework.

Table 3.10: Grant-Making Facility Budgets ($ million)

	FY12 Budget	Multi-Year Framework		
		FY13	FY14	FY15
Bank Directed Grant Programs	**53.7**	**54.8**	**54.8**	**54.8**
Institutional Development Fund (IDF)	17.6	16.5	16.5	16.5
Civil Society Fund (CSF)	2.8			
Global Partnership for Social Accountability (GPSA)		5.0	5.0	5.0
State & Peace Building Fund (SPF)	33.3	33.3	33.3	33.3
Development Grant Facility (DGF)	**57.3**	**56.2**	**56.2**	**56.2**
Short-Term Programs	26.5	30.0	higher	higher
Long-Term Programs	30.8	26.2	lower	lower
Long-Term External Partnership	**50.0**	**50.0**	**50.0**	**50.0**
Consultative Group on International Agricultural Research (CGIAR)	50.0	50.0	50.0	50.0
Total Grant Making Facilities, including CGIAR	**161.0**	**161.0**	**161.0**	**161.0**

3.7 PRICE FACTOR

50. ***Applying the Board-approved methodology, the price adjustment factor for FY13 is 2.58 percent (to be applied to FY12 net administrative budget of $1,823.7 million).*** This yields an overall FY13 price adjustment of $47.1 million consisting of:

- A price adjustment of $19.6 million for US$-based headquarters (HQ) salary and salary-related costs (on an HQ wage bill base of $1,031 million);
- A price adjustment for non-US$ Country Office salaries of $7.4 million comprising a positive local structural adjustment of $7.4 million and a slight reduction ($0.02 million) reflecting local currency appreciation relative to the $US (on a non-HQ wage bill of $147 million);
- A price adjustment for other (non-salary) US$-based costs of $14.0 million;
- A price adjustment for non-US$ Country Office, non-salary related costs of $14.2 million including an offsetting adjustment reflecting local currency appreciation of $1.2 million; and
- An adjustment of -$8.2 million that eliminates reimbursables from the four components above.

51. The overall price adjustment is the weighted average of the above components: 1.90 percent structural adjustment for Washington-based staff costs, 1.98 percent for US$-based non-staff costs, 5.10 percent for Country Office staff costs, and 7.50 percent for non US$-based non-staff costs. Price for Country Office costs includes adjustments for local currency depreciation.

52. Management plans to apply unit (VPU) specific price adjustments for selected units that have sizable local currency costs.

53. The price adjustment for Executive Directors' budget will be determined following the decisions of the Joint Committee on Remuneration and subsequent approval by the Board of Governors.

3.8 CAPITAL BUDGET SUMMARY

54. The three-year capital program over the FY13-15 period is $440.5 million with Technology and Systems accounting for $186.0 million and Facilities for the remaining $254.5 million. The FY13-FY15 capital program is $31.0 million (7.6 percent) larger than the FY12-14 approved capital program of $409.3 million. The increase is mostly due to the Data Center move within the Washington Facilities program.

55. ***Capital budget increase needed for investments in IT and Washington Facilities***. The total proposed capital budget for FY13 is $171.1 million, which is a 23.0 percent ($32 million) increase over the Board approved FY12 capital budget of $139.1 million. The increases are related to investments in Technology and Systems ($13.2 million) and Washington Facilities ($20.3 million) offset by a decrease in Country Office Facilities ($1.5 million). (See Table 3.12 for a summary. Additional details are provided in Annex D.) Descriptions of major capital budget-related projects are included below.

56. ***Technology and Systems.*** The FY11-13 IMT Three-Year Strategy provides the selection framework for Technology and Systems capital investments – a critical element of the Bank's business modernization. The FY13 Capital Budget is $80.5 million, a $13.2 million increase over the approved FY12 Capital Budget. The FY13 allocation of capital by business category includes: Corporate ($8.2 million), Finance ($26.5 million), Operations/Knowledge ($10.2 million), Shared Services components ($34.8 million), and IMT Strategic Program Reserve ($0.9 million).

57. ***Facilities – Washington.*** The two main components of the $20.3 million increase in capital budget needs for Washington Facilities are the planned relocation of the IT data center from the H-Building to a new off-site facility; and Washington building upgrades and maintenance projects that were postponed while the HQ Real Estate Strategy was being implemented. Projects related to the data center relocation ($10.0 million), public space improvements ($4.6 million), physical security upgrades ($3.6 million) and Business Continuity Center facilities equipment replacements ($2.5 million) will receive the most funding in FY13.

Table 3.11: Capital Program Summary – Investment Schedule FY12-FY15

		Capital Funds ($ Millions)				
		FY12 Approved	**FY12 YTD[1]**	**FY13 Budget**	**FY14 Plan**	**FY15 Plan**
Technology and Systems		**67.3**	**55.0**	**80.5**	**55.5**	**50.0**
of which	IMT Investment Program Reserve	0.2	n/a	0.9	0.1	13.6
Facilities – Washington		**8.3**	**0.3**	**28.6**	**26.0**	**17.5**
of which	HQ Real Estate Proposal	0.5	0.0	0.4	0.7	0.0
	H-Building Data Center Move	0.0	0.0	10.0	10.0	10.0
Facilities - Country Office		**63.5**	**31.8**	**62.0**	**62.7**	**57.8**
of which	Global Facilities Set-aside[2]	39.0	25.3	22.8	23.0	48.0
	Total Capital Budget (All Parts):	**139.1**	**87.1**	**171.1**	**144.2**	**125.3**
Percent Utilization (FY12 YTD Release/FY12 Approved)			**62.6%**			

[1]Data on capital release of funds as of May 8, 2012 for Technology and Systems and May 10, 2012 for Facilities

[2]Global Facilities set-aside is an estimate takings into account on-going/anticipated Decentralization reforms and co-location with IFC and includes country office relocations.

58. ***Facilities – Country Offices.*** The FY13 capital budget request of $62.0 million for Country Office Facilities includes acquisitions and new construction, as well as security, expansions and upgrades of existing facilities in support of decentralization of staff and authority to Country Offices. Acquisitions and new construction, totaling $23.4 million, include land/facility purchases proposed for Uganda, Afghanistan, and Sri Lanka. Acquisitions are being explored versus leases given the condition of the global real estate market and favorable economic terms and benefits.

59. A corporate approach to management of the Country Office Facilities program is under consideration to optimize the management and maintenance of the Bank's global real estate portfolio. This will increase Management's ability to plan and implement real estate decisions and facilities maintenance/upgrade projects from a long-term and strategic perspective.

Box 3.5: H-Building IT Data Center Relocation

On December 29, 2011, the World Bank finalized a ten-year lease agreement concerning the H-Building with the United States Government, which will occupy the building starting in mid-FY13. The lease is a key component of the HQ Real Estate Strategy developed in 2008 to address office space needs in the Bank's Washington Headquarters. The 30-year old, 10,000 square foot data center is the last remaining Bank function to be moved out of the H-Building. A risk review by Deloitte in FY11 confirmed the Bank's dual data center strategy (in place since 2008) continues to be the best-practice approach and recommended that the data center in the H-Building be moved to a new site within 60 miles of Chantilly, VA (the location of the Bank's primary data center) and 30 miles from the HQ campus. The two data centers are each capable of independently operating the mission critical IT applications and communications systems of the Bank in the event of an outage at one of the data centers. In addition, because the Bank has two active data centers, it is possible to physically move one of them with minimal risk of disruption to the Bank's business operations.

Management is looking at options to either buy land, and design and build a new facility to meet the Bank's specifications, or to purchase an existing facility for modification/re-commissioning. Capital funds totaling $30 million ($10 million/annum) have been set aside in the FY13-15 Washington Facilities Capital budget portfolio for this purpose. Facilities purchases and related fit-out are depreciated over 50 years (excluding land, which is not depreciated) per the Bank's accounting guidelines. IT investment for the Data Center Relocation will be planned for within the FY14-16 planning cycle. The intent is to have the new facility available for the movement of IT assets by the beginning of FY16.

ANNEX A: RESTORING BUDGET FLEXIBILITY

1. Budget flexibility at the corporate level is the budget room available to Management at the beginning of the budget cycle to fund specific activities, including contingencies, without having to adjust existing unit budget trajectories. There are two sources of such flexibility: The first is the upper portion of the +/- 2 percent budget flexibility band, which is normally available for use during the year, at Management discretion. The second source of corporate budget flexibility is the difference between the planned budget envelope and the sum of unit budgets and the projected expenditure for centrally managed accounts. The Corporate Scorecard performance standard for budget flexibility at the start of the budget cycle is 5 percent – 2 percent from the flexibility band and 3 percent from programming unit trajectories appropriately.
2. During the Medium-Term Business and Finance (MTBF) discussion, there was widespread support for increasing budget flexibility at the corporate level – to allow both greater room for making resource choices and trade-offs across the institution and to fund a robust contingency for intra-year use.
3. There are a number of ways in which programmed corporate budget room may be achieved:
   - Increasing the budget envelope over the planning horizon;
   - Conducting discrete, periodic efficiency/selectivity exercises generating budget savings that may be made available to the corporate center; and
   - Ensuring that unit budget trajectories in the aggregate decline compared to the overall budget envelope, thereby programming an increasing return of budget room to the corporate center.
4. In the first half of the past decade, budget increases contributed to corporate budget flexibility. In each of the four years over the FY02-05 period, the Bank's budget expressed in real terms grew – in the range of 1-3 percent per annum. As of FY06, with the adoption of the flat real budget constraint, budget growth has no longer been a source of corporate budget flexibility.
5. Periodic efficiency/selectivity exercises have been a constant feature of Bank budgeting. Annex XI of this year's MTBF paper summarized the most important initiatives implemented since the late 1990s. While the bulk of the savings from these initiatives has generally remained with units, a portion has also been retained at the center as a source of corporate budget flexibility. Such efforts are typically one-off exercises that shift trajectories rather than tilting them downwards over time.
6. The main instrument for tilting aggregate unit trajectories downwards has been the "productivity tax." Applied since FY04, this evolving measure has had two objectives – to provide funding for redeployments to emerging priorities, and to encourage increasing efficiency in work program delivery. As noted in the MTBF (paragraphs 131 and 151), the tax varies between 1 and 3 percent of a unit's budget, based on performance against peer units. Performance indicators include project completion costs, supervision efficiency, and overhead ratios. Phased reinstitution of this measure

(re-labeled "budget flexibility tax" – see discussion in paragraph 37 of Section 3) for FY14-15 will generate around 0.5 percent and 2.0 percent respectively.

7. Even with reinstitution of budget flexibility measures, the Corporate Scorecard target will not be met in FY14-15 on current assumptions. Including planned corporate contingencies for the two years, budget flexibility is expected to be $8.9 million in FY14 (0.5 percent of budget) and $42.5 million in FY15 (2.4 percent).

8. Another way of increasing the return of budget space from units to the corporate center is to limit the duration of funding for specific activities that are expected to be mainstreamed into unit budgets, or where the activity is expected to be of limited duration. Starting last year, units have been advised what portion of their budget envelopes is "trajectory" and what portion is of limited duration, or "time bound" nature. A targeted annual reflow to the corporate center of 1 percent of budget from time bound measures, assuming three-year average duration of such measures, would require that 3 percent (around $54 million) of the budget be time bound. This compares to the actual figure of around $30 million. Furthermore, virtually all of this time bound funding expires at the end of the planning period (i.e., after FY15), thereby only contributing to budget flexibility in FY16.

9. The net effect is that corporate budget flexibility remains below the Corporate Scorecard performance standard over the planning period, particularly for FY14. This means that any significant budgetary investments required in next year's budget will have to come from targeted redeployments, unit-specific measures, and/or across-the-board unit reductions beyond the levels set in the indicative FY13-15 trajectories that will result from approval of the recommendations in this document.

ANNEX B: NEW PROGRAM COST SUMMARY TABLE

The Program Cost Summary table has been enhanced to show total work program funding by VPU, including Bank-Executed Trust Funds. For reference, below is a table on the Total Bank Budget Work Program Funding.

Table B.1: Total Bank Budget Work Program Funding FY11-15 ($ million)

ADMINISTRATIVE PROGRAMS[1/]	FY11 Budget Plan	FY12 Budget Plan	FY12 Budget Remap	FY13 Plan ($FY12)	FY13 Plan ($FY13)	FY14 Indicative ($FY13)	FY15 Indicative ($FY13)
1. REGIONAL PROGRAMS							
Africa	330.0	337.3	325.3	329.3	338.8	341.1	341.1
East Asia and Pacific	151.0	158.1	152.7	154.4	160.9	160.9	160.9
Europe and Central Asia	167.9	171.6	164.2	167.7	173.0	173.0	173.0
Latin America and Caribbean	173.3	178.9	172.4	172.4	177.6	177.6	177.6
Middle East and North Africa	100.6	102.3	99.0	102.5	105.0	105.0	102.0
South Asia	145.4	152.3	147.5	147.5	150.8	150.8	150.8
Bank/FAO Cooperative Program	13.4	13.7	13.7	13.7	13.9	13.9	13.9
Corporate Contingency Fund for Regions	-	-	-	5.0	5.2	7.7	10.3
Corporate Priorities Fund for Regions	-	-	-	10.0	10.3	10.3	10.3
SUB TOTAL	**1,081.5**	**1,114.2**	**1,074.9**	**1,102.4**	**1,135.4**	**1,140.3**	**1,139.9**
2. NETWORK PROGRAMS							
Sustainable Development Network	59.1	60.4	56.5	50.4	51.4	51.4	51.4
Financial and Private Sector Development	38.7	41.4	42.0	35.8	36.5	36.2	36.2
Human Development	29.7	29.7	28.5	25.6	26.0	26.0	26.0
Poverty Reduction and Economic Management	31.8	31.7	29.1	26.8	27.3	27.3	27.3
SUB TOTAL	**159.3**	**163.2**	**156.1**	**138.6**	**141.2**	**140.9**	**140.9**
3. OTHER OPERATIONAL PROGRAMS							
Operations Policy & Country Services	43.1	44.6	43.7	42.7	43.5	41.6	40.6
Development Economics	52.0	51.6	48.9	48.0	48.9	48.9	48.9
World Bank Institute	52.1	51.3	48.5	46.9	47.8	48.0	48.0
SUB TOTAL	**147.2**	**147.5**	**141.0**	**137.6**	**140.2**	**138.6**	**137.5**
4. EXPECTED FUNDING FROM KNOWLEDGE COUNCIL	**11.2**	**13.0**	**13.0**	**7.0**	**7.2**	**7.2**	**7.2**
5. OPERATIONAL UNITS SUBTOTAL	**1,399.3**	**1,437.9**	**1,385.0**	**1,385.7**	**1,424.0**	**1,427.0**	**1,425.5**
6. FINANCE PROGRAMS							
Treasurer's	47.3	30.3	27.4	26.3	26.8	26.8	26.8
Controller's	36.3	38.0	34.1	33.9	34.5	34.5	34.5
Concessional Finance and Global Partnerships	16.3	14.3	13.5	14.0	14.3	14.3	13.2
Corporate Finance and Credit Risk	20.2	20.7	20.7	20.7	21.1	20.6	20.6
Finance CIO Office	-	34.4	28.8	32.3	32.9	37.4	38.3
Chief Risk Office	-	1.2	1.7	2.6	2.7	2.7	2.7
SUB TOTAL	**120.1**	**138.9**	**126.2**	**129.8**	**132.2**	**136.2**	**136.1**
7. ADMINSTRATION PROGRAMS							
Human Resources	67.1	68.8	62.5	61.8	62.9	61.2	60.7
Information Solutions Group	69.4	53.7	123.8	125.4	127.7	124.4	126.3
General Services and Facilities	125.7	126.6	114.2	110.7	112.8	111.8	110.7
SUB TOTAL	**262.2**	**249.1**	**300.6**	**297.8**	**303.4**	**297.3**	**297.7**
8. CORPORTATE PROGRAMS							
Office of the President	5.6	5.7	5.6	5.6	5.7	5.7	5.7
Managing Directors	7.9	9.6	8.9	8.9	9.0	9.0	9.0
IDA IFC Secretariat	0.3	-	-	-	-	-	-
Office of Evaluation and Suspension	1.6	1.6	1.6	1.6	1.6	1.6	1.6
External Affairs	34.4	35.0	37.3	36.9	37.9	37.8	37.8
Internal Audit	9.4	9.6	9.3	8.6	8.8	8.8	8.8
Legal Services	31.1	34.0	23.2	22.4	22.8	22.8	22.8
Conflict Resolution System	10.3	4.1	3.9	3.9	4.0	4.0	4.0
Integrity Vice Presidency	16.8	16.7	16.1	15.6	15.9	15.9	15.9
Office of Ethics and Business Conduct	-	4.7	4.7	4.7	4.8	4.8	4.8
Administrative Tribunal	-	1.6	1.7	1.7	1.7	1.7	1.7
Sanctions Board	-	1.0	1.0	1.0	1.0	1.0	1.0
SUB TOTAL	**117.4**	**123.6**	**113.3**	**110.8**	**113.2**	**113.1**	**113.0**
9. FINANCE, ADMINISTRATION AND CORPORATE SUBTOTAL	**499.6**	**511.6**	**540.0**	**538.4**	**548.8**	**546.7**	**546.9**
10. ALL UNITS TOTAL	**1,898.9**	**1,949.5**	**1,925.0**	**1,924.1**	**1,972.8**	**1,973.6**	**1,972.4**

ADMINISTRATIVE PROGRAMS[1/]	FY11 Budget Plan	FY12 Budget Plan	FY12 Budget Remap	FY13 Plan ($FY12)	FY13 Plan ($FY13)	FY14 Indicative ($FY13)	FY15 Indicative ($FY13)
11. SECRETARIATS/ORGANIZATIONS HOSTED BY THE WORLD BANK							
Global Environment Facility Secretariat	-	-	-	-	-	-	-
International Centre for the Settlement of Investment Disputes	1.9	2.8	2.8	2.8	2.8	3.0	3.0
SUB TOTAL	**1.9**	**2.8**	**2.8**	**2.8**	**2.8**	**3.0**	**3.0**
12. FUNDS YET TO BE ALLOCATED	-	**2.6**	**1.8**	-	-	-	**15.7**
13. BUSINESS CONTINUITY PLAN	**14.6**	**16.4**	**16.4**	**16.4**	**16.7**	**16.7**	**16.7**
14. CENTRALLY-MANAGED OVERHEAD & BENEFITS [2/]	**(177.5)**	**(175.0)**	**(168.8)**	**(143.2)**	**(145.9)**	**(130.3)**	**(109.7)**
15. HQ REAL ESTATE PROPOSAL	**35.9**	**16.3**	**16.3**	**(4.1)**	**(4.1)**	**(3.9)**	**(3.2)**
16. INSTITUTIONAL PROGRAMS	-	**4.7**	**27.5**	**27.8**	**28.3**	**28.5**	**27.1**
17. OTHERS[3/]	**3.7**	**6.0**	**2.6**	**3.5**	**3.6**	**3.2**	**2.9**
18. PLANNED SAVINGS (UNALLOCATED) [4/]	-	-	-	**(3.5)**	**(3.5)**	**(20.0)**	**(54.0)**
SUB TOTAL	**(123.3)**	**(129.1)**	**(104.2)**	**(103.1)**	**(104.9)**	**(105.8)**	**(104.5)**
19. NET ADMINISTRATIVE BUDGET	**1,777.5**	**1,823.3**	**1,823.7**	**1,823.7**	**1,870.8**	**1,870.8**	**1,870.8**
20. BOARDS, SEC & IEG							
Boards [5/]	83.7	85.2	86.6	88.3	90.6	87.7	87.7
Corporate Secretariat	14.4	15.0	15.0	15.3	15.6	15.6	15.6
Independent Evaluation Group	25.5	25.8	25.6	26.3	26.8	25.9	25.7
Less: Reimbursables for Boards [6/]	(17.5)	(23.3)	(23.3)	(22.5)	(23.0)	(22.2)	(22.5)
IBRD/IDA SHARE OF BUDGET FOR BOARDS, SEC & IEG	**106.0**	**102.6**	**104.0**	**107.5**	**110.1**	**107.0**	**106.6**
21. STAFF RETIREMENT ACCOUNTS [7/]	**250.8**	**299.4**	**299.4**	**357.9**	**357.9**	**364.7**	**371.6**
22. DEVELOPMENT GRANT FACILITY	**63.8**	**57.3**	**57.3**	**56.2**	**56.2**	**56.2**	**56.2**
23. INSTITUTIONAL DEVELOPMENT FUND [8/]	**20.1**	**20.4**	**20.4**	**16.5**	**16.5**	**16.5**	**16.5**
24. GLOBAL PARTNERSHIP FOR SOCIAL ACCOUNTABILITY	-	-	-	**5.0**	**5.0**	**5.0**	**5.0**
25. STATE AND PEACE BUILDING FUND	**33.3**	**33.3**	**33.3**	**33.3**	**33.3**	**33.3**	**33.3**
26. CGIAR	**50.0**	**50.0**	**50.0**	**50.0**	**50.0**	**50.0**	**50.0**
27. BELOW-THE-LINE BANK BUDGET WORK PROGRAM FUNDING	**524.0**	**563.0**	**564.4**	**626.4**	**628.9**	**632.7**	**639.2**
28. TOTAL BANK BUDGET WORK PROGRAM FUNDING	**2,301.6**	**2,386.3**	**2,387.9**	**2,450.1**	**2,499.7**	**2,503.5**	**2,510.0**

1/ Figures may not add due to rounding.

2/ Now includes Staff Separation Fund which was presented as a separate line in earlier documents; also includes revenues from incidentals such as contract rebates.

3/ Includes Publication Revenue, Reimbursable Escrow and Foreign Exchange Contingency.

4/ Includes anticipated increase revenue from Trust Fund fee income and fee-based services as well as redeployments from Productivity Tax.

5/ FY13 plan for Executive Directors' budget in FY13$ is estimated using Washington-Baltimore CPIA of 2.8 percent. As approved by the Board of Executive Directors, the price increase for Executive Directors' budget will be determined subject to the decisions of the Joint Committee on Remuneration and subsequent approval by the Board of Governors.

6/ Board's work program is fully funded by Bank Budget independent of any cost sharing revenues received from IFC/MIGA.

7/ Includes Staff Retirement Plan and Trust, Retired Staff Benefits Plan and Trust, and Post-Employment Benefits Plan.

8/ Institutional Grant Programs are now split into Institutional Development Fund and GPSA.

Table B.2: Program Cost Summary – All Funds – FY11-15 ($ million)

ADMINISTRATIVE PROGRAMS [1/]	FY11 Plan				FY12 Plan				FY12 Budget Remap				FY13 Plan ($FY12)				FY13 Plan ($FY13)			
	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds
1. REGIONAL PROGRAMS																				
Africa	330.0	17.2	104.7	451.9	337.3	17.2	108.5	463.0	325.3	17.2	108.5	451.0	329.3	22.0	112.6	463.9	338.8	22.6	114.3	475.7
East Asia and Pacific	151.0	18.9	87.4	257.3	158.1	18.0	85.1	261.1	152.7	18.0	85.1	255.7	154.4	16.4	86.1	256.9	160.9	16.8	87.4	265.0
Europe and Central Asia	167.9	21.1	22.1	211.1	171.6	29.7	22.2	223.5	164.2	29.7	22.2	216.1	167.7	31.5	24.3	223.4	173.0	32.3	24.6	229.8
Latin America and Caribbean	173.3	13.1	24.6	211.0	178.9	12.1	22.9	213.9	172.4	12.1	22.9	207.4	172.4	12.8	23.3	208.5	177.6	13.1	23.6	214.4
Middle East and North Africa	100.6	17.2	25.1	142.9	102.3	19.2	27.5	149.0	99.0	19.2	27.5	145.7	102.5	21.4	29.7	153.6	105.0	22.0	30.0	157.0
South Asia	145.4	9.7	37.8	192.8	152.3	12.1	40.4	204.8	147.5	12.1	40.4	200.0	147.5	10.0	43.8	201.4	150.8	10.3	44.4	205.5
Bank/FAO Cooperative Program	13.4	-	-	13.4	13.7	-	-	13.7	13.7	-	-	13.7	13.7	-	-	13.7	13.9	-	-	13.9
Corporate Contingency Fund for Regions	-	-	-	-	-	-	-	-	-	-	-	-	5.0	-	-	5.0	5.2	-	-	5.2
Corporate Priorities Fund for Regions	-	-	-	-	-	-	-	-	-	-	-	-	10.0	-	-	10.0	10.3	-	-	10.3
SUB TOTAL	**1,081.5**	**97.2**	**301.7**	**1,480.5**	**1,114.2**	**108.3**	**306.5**	**1,528.9**	**1,074.9**	**108.3**	**306.5**	**1,489.6**	**1,102.4**	**114.1**	**319.8**	**1,536.3**	**1,135.4**	**117.0**	**324.4**	**1,576.8**
2. NETWORK PROGRAMS																				
Sustainable Development Network	59.1	35.4	106.5	200.9	60.4	33.6	126.7	220.7	56.5	33.6	126.7	216.8	50.4	33.9	132.4	216.7	51.4	34.8	134.1	220.3
Financial and Private Sector Development	38.7	1.1	29.2	69.0	41.4	1.4	32.5	75.3	42.0	1.4	32.5	75.8	35.8	3.1	37.2	76.1	36.5	3.2	37.6	77.3
Human Development	29.7	2.7	29.3	61.7	29.7	1.5	33.1	64.3	28.5	1.5	33.1	63.2	25.6	1.7	37.5	64.7	26.0	1.7	38.0	65.7
Poverty Reduction and Economic Management	31.8	0.9	16.7	49.4	31.7	0.7	18.1	50.5	29.1	0.7	18.1	47.9	26.8	0.3	19.0	46.1	27.3	0.3	19.3	46.9
SUB TOTAL	**159.3**	**40.0**	**181.7**	**381.0**	**163.2**	**37.2**	**210.4**	**410.8**	**156.1**	**37.2**	**210.4**	**403.7**	**138.6**	**39.0**	**226.0**	**403.6**	**141.2**	**40.0**	**229.0**	**410.2**
3. OTHER OPERATIONAL PROGRAMS																				
Operations Policy & Country Services	43.1	0.2	1.9	45.2	44.6	0.3	2.4	47.3	43.7	0.3	2.4	46.4	42.7	0.1	2.4	45.3	43.5	0.1	2.5	46.1
Development Economics	52.0	3.3	27.2	82.5	51.6	1.6	25.0	78.2	48.9	1.6	25.0	75.5	48.0	2.6	24.3	74.9	48.9	2.7	24.6	76.3
World Bank Institute	52.1	2.8	32.0	86.9	51.3	1.5	24.2	76.9	48.5	1.5	24.2	74.1	46.9	1.5	24.5	72.9	47.8	1.5	25.0	74.2
SUB TOTAL	**147.2**	**6.3**	**61.1**	**214.6**	**147.5**	**3.4**	**51.6**	**202.5**	**141.0**	**3.4**	**51.6**	**196.0**	**137.6**	**4.2**	**51.2**	**193.1**	**140.2**	**4.4**	**52.1**	**196.6**
4. EXPECTED FUNDING FROM KNOWLEDGE COUNCIL	**11.2**	**-**	**-**	**-**	**13.0**	**-**	**-**	**13.0**	**13.0**	**-**	**-**	**13.0**	**7.0**	**-**	**-**	**7.0**	**7.2**	**-**	**-**	**7.2**
5. OPERATIONAL UNITS SUBTOTAL	**1,399.3**	**143.5**	**544.6**	**2,076.1**	**1,437.9**	**148.8**	**568.4**	**2,155.2**	**1,385.0**	**148.8**	**568.4**	**2,102.2**	**1,385.7**	**157.3**	**597.0**	**2,140.1**	**1,424.0**	**161.4**	**605.4**	**2,190.8**
6. FINANCE PROGRAMS									-			-								
Treasurer's	47.3	41.5	0.1	88.9	30.3	45.2	(0.0)	75.5	27.4	45.2	(0.0)	72.6	26.3	46.4	(0.1)	72.6	26.8	47.6	(0.1)	74.3
Controller's	36.3	13.8	0.0	50.1	38.0	13.8	0.0	51.8	34.1	13.8	0.0	47.9	33.9	14.3	(0.0)	48.1	34.5	14.6	(0.0)	49.2
Concessional Finance and Global Partnerships	16.3	7.7	1.1	25.2	14.3	7.9	0.7	22.8	13.5	7.9	0.7	22.0	14.0	8.4	0.7	23.1	14.3	8.6	0.7	23.6
Corporate Finance and Credit Risk	20.2	0.2	-	20.4	20.7	0.7	-	21.3	20.7	0.7	-	21.4	20.7	0.8	-	21.5	21.1	0.8	-	21.9
Finance CIO Office	-	-	-	-	34.4	0.4	-	34.8	28.8	0.4	-	29.2	32.3	0.4	-	32.7	32.9	0.4	-	33.3
Chief Risk Office	-	-	-	-	1.2	0.4	-	1.6	1.7	0.4	-	2.1	2.6	0.4	-	3.0	2.7	0.4	-	3.1
SUB TOTAL	**120.1**	**63.2**	**1.3**	**184.6**	**138.9**	**68.3**	**0.6**	**207.8**	**126.2**	**68.3**	**0.6**	**195.2**	**129.8**	**70.7**	**0.6**	**201.1**	**132.2**	**72.5**	**0.6**	**205.4**
7. ADMINSTRATION PROGRAMS									-			-								
Human Resources	67.1	9.7	14.5	91.4	68.8	7.1	17.7	93.6	62.5	7.1	17.7	87.3	61.8	7.0	19.7	88.5	62.9	7.2	20.0	90.1
Information Solutions Group	69.4	20.7	-	90.1	53.7	20.5	-	74.2	123.8	20.5	-	144.3	125.4	21.7	-	147.0	127.7	22.2	-	149.9
General Services and Facilities	125.7	34.4	-	160.0	126.6	38.9	-	165.5	114.2	38.9	-	153.1	110.7	37.9	-	148.6	112.8	38.9	-	151.7
SUB TOTAL	**262.2**	**64.7**	**14.5**	**341.5**	**249.1**	**66.4**	**17.7**	**333.2**	**300.6**	**66.4**	**17.7**	**384.6**	**297.8**	**66.6**	**19.7**	**384.1**	**303.4**	**68.3**	**20.0**	**391.7**
8. CORPORTATE PROGRAMS									-			-								
Office of the President	5.6	-	-	5.6	5.7	-	-	5.7	5.6	-	-	5.6	5.6	-	-	5.6	5.7	-	-	5.7
Managing Directors	7.9	-	-	7.9	9.6	-	-	9.6	8.9	-	-	8.9	8.9	-	-	8.9	9.0	-	-	9.0
IDA IFC Secretariat	0.3	0.5	-	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office of Evaluation and Suspension	1.6	-	-	1.6	1.6	-	-	1.6	1.6	-	-	1.6	1.6	-	-	1.6	1.6	-	-	1.6
External Affairs	34.4	1.0	2.0	37.4	35.0	0.9	1.7	37.6	37.3	0.9	1.7	40.0	36.9	1.5	1.6	40.0	37.9	1.5	1.6	41.1
Internal Audit	9.4	2.7	-	12.1	9.6	2.7	-	12.3	9.3	2.7	-	12.1	8.6	2.5	-	11.1	8.8	2.6	-	11.4
Legal Services	31.1	4.8	3.7	39.7	34.0	5.6	3.6	43.2	23.2	5.6	3.6	32.5	22.4	5.6	3.4	31.4	22.8	5.7	3.4	32.0
Conflict Resolution System	10.3	2.0	-	12.2	4.1	0.9	-	5.1	3.9	0.9	-	4.8	3.9	0.9	-	4.8	4.0	0.9	-	4.9
Integrity Vice Presidency	16.8	3.5	-	20.3	16.7	3.9	-	20.5	16.1	3.9	-	20.0	15.6	4.6	-	20.2	15.9	4.7	-	20.6
Office of Ethics and Business Conduct	-	-	-	-	4.7	1.1	-	5.7	4.7	1.1	-	5.7	4.7	1.1	-	5.7	4.8	1.1	-	5.8
Administrative Tribunal	-	-	-	-	1.6	0.4	-	2.0	1.7	0.4	-	2.1	1.7	0.4	-	2.1	1.7	0.4	-	2.1
Sanctions Board	-	-	-	-	1.0	-	-	1.0	1.0	-	-	1.0	1.0	-	-	1.0	1.0	-	-	1.0
SUB TOTAL	**117.4**	**14.5**	**5.7**	**137.6**	**123.6**	**15.5**	**5.3**	**144.4**	**113.3**	**15.5**	**5.3**	**134.1**	**110.8**	**16.5**	**5.0**	**132.3**	**113.2**	**17.0**	**5.1**	**135.2**
9. FINANCE, ADMINISTRATION AND CORPORATE SUBTOTAL	**499.6**	**142.5**	**21.5**	**663.7**	**511.6**	**150.2**	**23.6**	**685.4**	**540.0**	**150.2**	**23.6**	**713.9**	**538.4**	**153.8**	**25.3**	**717.4**	**548.8**	**157.8**	**25.6**	**732.3**
									-			-								
10. ALL UNITS TOTAL	**1,898.9**	**286.0**	**566.1**	**2,739.8**	**1,949.5**	**299.1**	**592.0**	**2,840.5**	**1,925.0**	**299.1**	**592.0**	**2,816.1**	**1,924.1**	**311.2**	**622.3**	**2,857.5**	**1,972.8**	**319.2**	**631.1**	**2,923.1**

	FY11 Plan				FY12 Plan				FY12 Budget Remap				FY13 Plan ($FY12)				FY13 Plan ($FY13)			
ADMINISTRATIVE PROGRAMS [1/]	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds
11. SECRETARIATS/ORGANIZATIONS HOSTED BY THE WORLD BANK									-			-								
Global Environment Facility Secretariat	-	-	23.5	23.5	-	-	27.0	27.0	-	-	27.0	27.0	-	-	26.1	26.1	-	-	26.4	26.4
International Centre for the Settlement of Investment Disputes	1.9	-	-	1.9	2.8	-	-	2.8	2.8	-	-	2.8	2.8	-	-	2.8	2.8	-	-	2.8
SUB TOTAL	1.9	-	23.5	25.3	2.8	-	27.0	29.8	2.8	-	27.0	29.8	2.8	-	26.1	28.9	2.8	-	26.4	29.2
12. FUNDS YET TO BE ALLOCATED	-	-	-	-	2.6	-	-	2.6	1.8	-	-	1.8	-	-	-	-	-	-	-	-
13. BUSINESS CONTINUITY PLAN	14.6	-	-	14.6	16.4	-	-	16.4	16.4	-	-	16.4	16.4	-	-	16.4	16.7	-	-	16.7
14. CENTRALLY-MANAGED OVERHEAD & BENEFITS [2/]	(177.5)	0.7	-	(176.8)	(175.0)	-	-	(175.0)	(168.8)	-	-	(168.8)	(143.2)	-	-	(143.2)	(145.9)	-	-	(145.9)
15. HQ REAL ESTATE PROPOSAL	35.9	-	-	35.9	16.3	-	-	16.3	16.3	-	-	16.3	(4.1)	-	-	(4.1)	(4.1)	-	-	(4.1)
16. INSTITUTIONAL PROGRAMS	-	-	-	-	4.7	-	0.1	4.9	27.5	-	0.1	27.7	27.8	0.9	0.1	28.7	28.3	0.9	0.1	29.3
17. OTHERS [3/]	3.7	3.5	-	7.2	6.0	3.2	-	9.2	2.6	3.2	-	5.8	3.5	2.7	-	6.2	3.6	2.7	-	6.3
18. PLANNED SAVINGS (UNALLOCATED) [4/]	-	-	-	-	-	-	-	-	-	-	-	-	(3.5)	-	-	(3.5)	(3.5)	-	-	(3.5)
SUB TOTAL	(123.3)	4.2	-	(119.1)	(129.1)	3.2	0.1	(125.7)	(104.2)	3.2	0.1	(100.9)	(103.1)	3.5	0.1	(99.5)	(104.9)	3.6	0.1	(101.2)
19. ABOVE-THE-LINE WORK PROGRAM FUNDING	1,777.5	290.2	589.6	2,646.1	1,823.3	302.3	619.1	2,744.6	1,823.7	302.3	619.1	2,745.0	1,823.7	314.7	648.5	2,786.9	1,870.8	322.8	657.5	2,851.1
20. O/W NET ADMINISTRATIVE BUDGET	1,777.5	-	-	-	1,823.3	-	-	-	1,823.7	-	-	1,823.7	1,823.7	-	-	-	1,870.8	-	-	-
21. BOARDS, SEC & IEG																				
Boards [5/]	83.7	-	0.8	84.5	85.2	-	0.8	86.0	86.6	-	0.8	87.5	88.3	-	0.7	89.0	90.6	-	0.7	91.4
Corporate Secretariat	14.4	1.2	-	15.5	15.0	0.1	0.5	15.6	15.0	0.1	0.5	15.6	15.3	0.0	0.5	15.9	15.6	0.0	0.5	16.1
Independent Evaluation Group	25.5	7.0	1.2	33.7	25.8	7.3	1.4	34.5	25.6	7.3	1.4	34.3	26.3	7.4	1.4	35.1	26.8	7.6	1.4	35.8
Less: Reimbursables for Boards [6/]	(17.5)	17.5	-	-	(23.3)	23.3	-	-	(23.3)	23.3	-	-	(22.5)	22.5	-	-	(23.0)	23.0	-	-
IBRD/IDA SHARE OF BUDGET FOR BOARDS, SEC & IEG	106.0	25.7	2.1	133.7	102.6	30.8	2.7	136.1	104.0	30.8	2.7	137.4	107.5	29.9	2.6	140.0	110.1	30.6	2.6	143.3
22. STAFF RETIREMENT ACCOUNTS [7/]	250.8	-	-	250.8	299.4	-	-	299.4	299.4	-	-	299.4	357.9	-	-	357.9	357.9	-	-	357.9
23. DEVELOPMENT GRANT FACILITY	63.8	-	-	63.8	57.3	-	-	57.3	57.3	-	-	57.3	56.2	-	-	56.2	56.2	-	-	56.2
24. INSTITUTIONAL DEVELOPMENT FUND [8/]	20.1	-	-	20.1	20.4	-	-	20.4	20.4	-	-	20.4	16.5	-	-	16.5	16.5	-	-	16.5
25. GLOBAL PARTNERSHIP FOR SOCIAL ACCOUNTABILITY	-	-	-	-	-	-	-	-	-	-	-	-	5.0	-	-	5.0	5.0	-	-	5.0
26. STATE AND PEACE BUILDING FUND	33.3	-	-	33.3	33.3	-	-	33.3	33.3	-	-	33.3	33.3	-	-	33.3	33.3	-	-	33.3
27. CGIAR	50.0	-	-	50.0	50.0	-	-	50.0	50.0	-	-	50.0	50.0	-	-	50.0	50.0	-	-	50.0
28 BELOW-THE-LINE WORK PROGRAM FUNDING	524.0	25.7	2.1	551.7	563.0	30.8	2.7	596.5	564.4	30.8	2.7	597.9	626.4	29.9	2.6	658.8	628.9	30.6	2.6	662.2
									-			-								
29. TOTAL WORK PROGRAM FUNDING	2,301.6	315.9	591.6	3,197.8	2,386.3	333.1	621.8	3,341.1	2,387.8	333.1	621.8	3,342.7	2,450.1	344.6	651.0	3,445.7	2,499.7	353.5	660.2	3,513.3

	ADMINISTRATIVE PROGRAMS [1/]	FY12 Budget Remap				FY13 Plan ($FY12)				FY13 Plan ($FY13)				FY14 Indicative ($FY13)				FY15 Indicative ($FY13)			
		BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds
1.	**REGIONAL PROGRAMS**																				
	Africa	325.3	17.2	108.5	451.0	329.3	22.0	112.6	463.9	338.8	22.6	114.3	475.7	341.1	23.3	120.6	485.0	341.1	22.0	126.1	489.3
	East Asia and Pacific	152.7	18.0	85.1	255.7	154.4	16.4	86.1	256.9	160.9	16.8	87.4	265.0	160.9	20.3	89.5	270.7	160.9	20.1	92.2	273.1
	Europe and Central Asia	164.2	29.7	22.2	216.1	167.7	31.5	24.3	223.4	173.0	32.3	24.6	229.8	173.0	29.2	25.8	227.9	173.0	29.2	26.9	229.1
	Latin America and Caribbean	172.4	12.1	22.9	207.4	172.4	12.8	23.3	208.5	177.6	13.1	23.6	214.4	177.6	12.7	24.1	214.4	177.6	12.8	25.5	216.0
	Middle East and North Africa	99.0	19.2	27.5	145.7	102.5	21.4	29.7	153.6	105.0	22.0	30.0	157.0	105.0	22.4	31.8	159.2	102.0	22.9	33.0	157.9
	South Asia	147.5	12.1	40.4	200.0	147.5	10.0	43.8	201.4	150.8	10.3	44.4	205.5	150.8	11.4	46.9	209.1	150.8	11.6	49.4	211.8
	Bank/FAO Cooperative Program	13.7	-	-	13.7	13.7	-	-	13.7	13.9	-	-	13.9	13.9	-	-	13.9	13.9	-	-	13.9
	Corporate Contingency Fund for Regions	-	-	-	-	5.0	-	-	5.0	5.2	-	-	5.2	7.7	-	-	7.7	10.3	-	-	10.3
	Corporate Priorities Fund for Regions	-	-	-	-	10.0	-	-	10.0	10.3	-	-	10.3	10.3	-	-	10.3	10.3	-	-	10.3
	SUB TOTAL	**1,074.9**	**108.3**	**306.5**	**1,489.6**	**1,102.4**	**114.1**	**319.8**	**1,536.3**	**1,135.4**	**117.0**	**324.4**	**1,576.8**	**1,140.3**	**119.3**	**338.7**	**1,598.3**	**1,139.9**	**118.6**	**353.2**	**1,611.7**
2.	**NETWORK PROGRAMS**																				
	Sustainable Development Network	56.5	33.6	126.7	216.8	50.4	33.9	132.4	216.7	51.4	34.8	134.1	220.3	51.4	36.8	136.9	225.2	51.4	34.1	138.7	224.2
	Financial and Private Sector Development	42.0	1.4	32.5	75.8	35.8	3.1	37.2	76.1	36.5	3.2	37.6	77.3	36.2	3.7	42.6	82.5	36.2	3.4	44.2	83.8
	Human Development	28.5	1.5	33.1	63.2	25.6	1.7	37.5	64.7	26.0	1.7	38.0	65.7	26.0	2.7	37.3	66.1	26.0	2.7	37.2	66.0
	Poverty Reduction and Economic Management	29.1	0.7	18.1	47.9	26.8	0.3	19.0	46.1	27.3	0.3	19.3	46.9	27.3	1.0	20.2	48.5	27.3	0.9	21.7	49.9
	SUB TOTAL	**156.1**	**37.2**	**210.4**	**403.7**	**138.6**	**39.0**	**226.0**	**403.6**	**141.2**	**40.0**	**229.0**	**410.2**	**140.9**	**44.3**	**237.1**	**422.3**	**140.9**	**41.1**	**241.8**	**423.8**
3.	**OTHER OPERATIONAL PROGRAMS**																				
	Operations Policy & Country Services	43.7	0.3	2.4	46.4	42.7	0.1	2.4	45.3	43.5	0.1	2.5	46.1	41.6	0.3	2.6	44.5	40.6	0.3	2.6	43.6
	Development Economics	48.9	1.6	25.0	75.5	48.0	2.6	24.3	74.9	48.9	2.7	24.6	76.3	48.9	4.0	24.9	77.9	48.9	4.1	25.2	78.3
	World Bank Institute	48.5	1.5	24.2	74.1	46.9	1.5	24.5	72.9	47.8	1.5	25.0	74.2	48.0	2.0	25.3	75.3	48.0	2.0	25.6	75.6
	SUB TOTAL	**141.0**	**3.4**	**51.6**	**196.0**	**137.6**	**4.2**	**51.2**	**193.1**	**140.2**	**4.4**	**52.1**	**196.6**	**138.6**	**6.3**	**52.8**	**197.6**	**137.5**	**6.5**	**53.4**	**197.4**
4.	**EXPECTED FUNDING FROM KNOWLEDGE COUNCIL**	**13.0**	**-**	**-**	**13.0**	**7.0**	**-**	**-**	**7.0**	**7.2**	**-**	**-**	**7.2**	**7.2**	**-**	**-**	**7.2**	**7.2**	**-**	**-**	**7.2**
5.	**OPERATIONAL UNITS SUBTOTAL**	**1,385.0**	**148.8**	**568.4**	**2,102.2**	**1,385.7**	**157.3**	**597.0**	**2,140.1**	**1,424.0**	**161.4**	**605.4**	**2,190.8**	**1,427.0**	**170.0**	**628.5**	**2,225.4**	**1,425.5**	**166.2**	**648.4**	**2,240.1**
6.	**FINANCE PROGRAMS**	-			-																
	Treasurer's	27.4	45.2	(0.0)	72.6	26.3	46.4	(0.1)	72.6	26.8	47.6	(0.1)	74.3	26.8	50.2	(0.1)	76.8	26.8	51.4	(0.2)	78.0
	Controller's	34.1	13.8	0.0	47.9	33.9	14.3	(0.0)	48.1	34.5	14.6	(0.0)	49.2	34.5	13.4	(0.0)	47.9	34.5	13.3	(0.0)	47.8
	Concessional Finance and Global Partnerships	13.5	7.9	0.7	22.0	14.0	8.4	0.7	23.1	14.3	8.6	0.7	23.6	14.3	9.1	0.8	24.2	13.2	9.3	0.8	23.4
	Corporate Finance and Credit Risk	20.7	0.7	-	21.4	20.7	0.8	-	21.5	21.1	0.8	-	21.9	20.6	0.6	-	21.2	20.6	0.5	-	21.1
	Finance CIO Office	28.8	0.4	-	29.2	32.3	0.4	-	32.7	32.9	0.4	-	33.3	37.4	0.5	-	37.9	38.3	0.5	-	38.8
	Chief Risk Office	1.7	0.4	-	2.1	2.6	0.4	-	3.0	2.7	0.4	-	3.1	2.7	0.4	-	3.1	2.7	0.4	-	3.1
	SUB TOTAL	**126.2**	**68.3**	**0.6**	**195.2**	**129.8**	**70.7**	**0.6**	**201.1**	**132.2**	**72.5**	**0.6**	**205.4**	**136.2**	**74.3**	**0.6**	**211.1**	**136.1**	**75.5**	**0.6**	**212.2**
7.	**ADMINSTRATION PROGRAMS**	-			-																
	Human Resources	62.5	7.1	17.7	87.3	61.8	7.0	19.7	88.5	62.9	7.2	20.0	90.1	61.2	8.8	22.0	92.1	60.7	9.0	24.2	93.9
	Information Solutions Group	123.8	20.5	-	144.3	125.4	21.7	-	147.0	127.7	22.2	-	149.9	124.4	24.2	-	148.5	126.3	24.6	-	150.9
	General Services and Facilities	114.2	38.9	-	153.1	110.7	37.9	-	148.6	112.8	38.9	-	151.7	111.8	42.6	-	154.4	110.7	43.4	-	154.1
	SUB TOTAL	**300.6**	**66.4**	**17.7**	**384.6**	**297.8**	**66.6**	**19.7**	**384.1**	**303.4**	**68.3**	**20.0**	**391.7**	**297.3**	**75.7**	**22.0**	**395.0**	**297.7**	**77.0**	**24.2**	**398.9**
8.	**CORPORTATE PROGRAMS**	-			-																
	Office of the President	5.6	-	-	5.6	5.6	-	-	5.6	5.7	-	-	5.7	5.7	-	-	5.7	5.7	-	-	5.7
	Managing Directors	8.9	-	-	8.9	8.9	-	-	8.9	9.0	-	-	9.0	9.0	-	-	9.0	9.0	-	-	9.0
	IDA IFC Secretariat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Office of Evaluation and Suspension	1.6	-	-	1.6	1.6	-	-	1.6	1.6	-	-	1.6	1.6	-	-	1.6	1.6	-	-	1.6
	External Affairs	37.3	0.9	1.7	40.0	36.9	1.5	1.6	40.0	37.9	1.5	1.6	41.1	37.8	3.5	1.1	42.4	37.8	3.6	0.6	42.1
	Internal Audit	9.3	2.7	-	12.1	8.6	2.5	-	11.1	8.8	2.6	-	11.4	8.8	2.9	-	11.7	8.8	3.0	-	11.8
	Legal Services	23.2	5.6	3.6	32.5	22.4	5.6	3.4	31.4	22.8	5.7	3.4	32.0	22.8	6.5	3.1	32.5	22.8	6.5	2.7	32.0
	Conflict Resolution System	3.9	0.9	-	4.8	3.9	0.9	-	4.8	4.0	0.9	-	4.9	4.0	1.8	-	5.7	4.0	1.8	-	5.8
	Integrity Vice Presidency	16.1	3.9	-	20.0	15.6	4.6	-	20.2	15.9	4.7	-	20.6	15.9	4.7	-	20.5	15.9	4.7	-	20.6
	Office of Ethics and Business Conduct	4.7	1.1	-	5.7	4.7	1.1	-	5.7	4.8	1.1	-	5.8	4.8	1.1	-	5.9	4.8	1.1	-	5.9
	Administrative Tribunal	1.7	0.4	-	2.1	1.7	0.4	-	2.1	1.7	0.4	-	2.1	1.7	0.2	-	1.9	1.7	0.2	-	1.9
	Sanctions Board	1.0	-	-	1.0	1.0	-	-	1.0	1.0	-	-	1.0	1.0	-	-	1.0	1.0	-	-	1.0
	SUB TOTAL	**113.3**	**15.5**	**5.3**	**134.1**	**110.8**	**16.5**	**5.0**	**132.3**	**113.2**	**17.0**	**5.1**	**135.2**	**113.1**	**20.7**	**4.2**	**138.0**	**113.0**	**21.1**	**3.4**	**137.5**
9.	**FINANCE, ADMINISTRATION AND CORPORATE SUBTOTAL**	**540.0**	**150.2**	**23.6**	**713.9**	**538.4**	**153.8**	**25.3**	**717.4**	**548.8**	**157.8**	**25.6**	**732.3**	**546.7**	**170.6**	**26.9**	**744.2**	**546.9**	**173.6**	**28.2**	**748.6**
		-			-																
10.	**ALL UNITS TOTAL**	**1,925.0**	**299.1**	**592.0**	**2,816.1**	**1,924.1**	**311.2**	**622.3**	**2,857.5**	**1,972.8**	**319.2**	**631.1**	**2,923.1**	**1,973.6**	**340.6**	**655.4**	**2,969.6**	**1,972.4**	**339.8**	**676.6**	**2,988.7**

ADMINISTRATIVE PROGRAMS [1/]	FY12 Budget Remap				FY13 Plan ($FY12)				FY13 Plan ($FY13)				FY14 Indicative ($FY13)				FY15 Indicative ($FY13)			
	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds	BB	Reimb.	BETF	All Funds
11. SECRETARIATS/ORGANIZATIONS HOSTED BY THE WORLD BANK	-			-																
Global Environment Facility Secretariat	-	-	27.0	27.0	-	-	26.1	26.1	-	-	26.4	26.4	-	-	27.1	27.1	-	-	25.8	25.8
International Centre for the Settlement of Investment Disputes	2.8	-	-	2.8	2.8	-	-	2.8	2.8	-	-	2.8	3.0	-	-	3.0	3.0	-	-	3.0
SUB TOTAL	2.8	-	27.0	29.8	2.8	-	26.1	28.9	2.8	-	26.4	29.2	3.0	-	27.1	30.1	3.0	-	25.8	28.8
12. FUNDS YET TO BE ALLOCATED	1.8	-	-	1.8	-	-	-	-	-	-	-	-	-	-	-	-	15.7	-	-	15.7
13. BUSINESS CONTINUITY PLAN	16.4	-	-	16.4	16.4	-	-	16.4	16.7	-	-	16.7	16.7	-	-	16.7	16.7	-	-	16.7
14. CENTRALLY-MANAGED OVERHEAD & BENEFITS [2/]	(168.8)	-	-	(168.8)	(143.2)	-	-	(143.2)	(145.9)	-	-	(145.9)	(130.3)	-	-	(130.3)	(109.7)	-	-	(109.7)
15. HQ REAL ESTATE PROPOSAL	16.3	-	-	16.3	(4.1)	-	-	(4.1)	(4.1)	-	-	(4.1)	(3.9)	-	-	(3.9)	(3.2)	-	-	(3.2)
16. INSTITUTIONAL PROGRAMS	27.5	-	0.1	27.7	27.8	0.9	0.1	28.7	28.3	0.9	0.1	29.3	28.5	0.6	0.1	29.2	27.1	0.6	0.1	27.8
17. OTHERS [3/]	2.6	3.2	-	5.8	3.5	2.7	-	6.2	3.6	2.7	-	6.3	3.2	2.3	-	5.5	2.9	2.0	-	4.9
18. PLANNED SAVINGS (UNALLOCATED) [4/]	-	-	-	-	(3.5)	-	-	(3.5)	(3.5)	-	-	(3.5)	(20.0)	-	-	(20.0)	(54.0)	-	-	(54.0)
SUB TOTAL	(104.2)	3.2	0.1	(100.9)	(103.1)	3.5	0.1	(99.5)	(104.9)	3.6	0.1	(101.2)	(105.8)	3.0	0.1	(102.8)	(104.5)	2.6	0.1	(101.8)
19. ABOVE-THE-LINE WORK PROGRAM FUNDING	1,823.7	302.3	619.1	2,745.0	1,823.7	314.7	648.5	2,786.9	1,870.8	322.8	657.5	2,851.1	1,870.8	343.6	682.6	2,897.0	1,870.8	342.4	702.5	2,915.7
20. O/W NET ADMINISTRATIVE BUDGET	1,823.7	-	-	1,823.7	1,823.7	-	-	-	1,870.8	-	-	-	1,870.8	-	-	-	1,870.8	-	-	-
21. BOARDS, SEC & IEG																				
Boards [5/]	86.6	-	0.8	87.5	88.3	-	0.7	89.0	90.6	-	0.7	91.4	87.7	-	0.6	88.3	87.7	-	0.4	88.2
Corporate Secretariat	15.0	0.1	0.5	15.6	15.3	0.0	0.5	15.9	15.6	0.0	0.5	16.1	15.6	0.0	0.5	16.1	15.6	0.0	0.5	16.2
Independent Evaluation Group	25.6	7.3	1.4	34.3	26.3	7.4	1.4	35.1	26.8	7.6	1.4	35.8	25.9	7.9	1.4	35.1	25.7	8.0	1.4	35.1
Less: Reimbursables for Boards [6/]	(23.3)	23.3	-	-	(22.5)	22.5	-	-	(23.0)	23.0	-	-	(22.2)	22.2	-	-	(22.5)	22.5	-	-
IBRD/IDA SHARE OF BUDGET FOR BOARDS, SEC & IEG	104.0	30.8	2.7	137.4	107.5	29.9	2.6	140.0	110.1	30.6	2.6	143.3	107.0	30.1	2.5	139.6	106.6	30.5	2.3	139.5
22. STAFF RETIREMENT ACCOUNTS [7/]	299.4	-	-	299.4	357.9	-	-	357.9	357.9	-	-	357.9	364.7	-	-	364.7	371.6	-	-	371.6
23. DEVELOPMENT GRANT FACILITY	57.3	-	-	57.3	56.2	-	-	56.2	56.2	-	-	56.2	56.2	-	-	56.2	56.2	-	-	56.2
24. INSTITUTIONAL DEVELOPMENT FUND [8/]	20.4	-	-	20.4	16.5	-	-	16.5	16.5	-	-	16.5	16.5	-	-	16.5	16.5	-	-	16.5
25. GLOBAL PARTNERSHIP FOR SOCIAL ACCOUNTABILITY	-	-	-	-	5.0	-	-	5.0	5.0	-	-	5.0	5.0	-	-	5.0	5.0	-	-	5.0
26. STATE AND PEACE BUILDING FUND	33.3	-	-	33.3	33.3	-	-	33.3	33.3	-	-	33.3	33.3	-	-	33.3	33.3	-	-	33.3
27. CGIAR	50.0	-	-	50.0	50.0	-	-	50.0	50.0	-	-	50.0	50.0	-	-	50.0	50.0	-	-	50.0
28 BELOW-THE-LINE WORK PROGRAM FUNDING	564.4	30.8	2.7	597.9	626.4	29.9	2.6	658.8	628.9	30.6	2.6	662.2	632.7	30.1	2.5	665.3	639.2	30.5	2.3	672.1
	-			-																
29. TOTAL WORK PROGRAM FUNDING	2,387.8	333.1	621.8	3,342.7	2,450.1	344.6	651.0	3,445.7	2,499.7	353.5	660.2	3,513.3	2,503.5	373.6	685.1	3,562.2	2,510.0	372.9	704.8	3,587.8

ANNEX C: REIMBURSABLES

FY13 OPERATIONAL AND NON-OPERATIONAL REIMBURSABLES

1. According to unit projections, reimbursements and fee income (reimbursables) – both operational and non-operational – will continue to grow and are projected to reach $359.4 million in nominal terms in FY13. This represents an increase of 5.9 percent from the original FY12 budget. [6] The subcategory of operational reimbursables[7] is expected to grow 7.5 percent in FY13. Growth projections however, vary on a component-by-component basis.

2. In comparison to the FY12 budget, units expect fees for administrative services to decline 2.0 percent, which somewhat levels out the projected 11.8 percentage growth in FY12 budget. Regions project lower revenues due to many Trust Funds moving away from standard fee arrangements. Central Units, on the other hand, project mostly stable revenue from Trust Fund fees and trustee fees. As a result, fees for administrative services are expected to reach $52.8 million in FY13 – a drop from $53.9 million expected in FY12.

3. Strong growth in Fee-Based Services in ECA, Reimbursable Technical Assistance (RTA) in MNA, and Other Operational Reimbursables (which include projected reimbursements from the Singapore Government) is driving growth projections for FY13 fees (for operational services). This growth, however, is expected to be slightly offset by a drop in reimbursable revenue from Treasury's Reserve Advisory and Management Program for client countries, continued decline in International Fund for Agricultural Development projects (albeit from a smaller base), and reduction in Carbon Fund-financed projects (due to near-full commitment of Kyoto Protocol-mandated funds). As a result, fees for operational services[8] are expected to generate $158.2 million in revenue in FY13 – an 11.2 percent increase relative to the figure stated in the FY12 Budget Document.

4. Non-operational reimbursable income is generated when the Bank provides a service for a fee to an external organization or when the Bank participates in the sharing of costs. Cost-sharing income[9] and other non-operational revenues[10] are part of non-operational reimbursables. Bank units that

[6] Annex E: Reimbursables in *The World Bank's Budget: Trends and Recommendations for FY12*, (R2011-0134/1), August 10, 2011.

[7] Operational reimbursables contain fees for Trust Fund administration and trustee services (*fees for administrative services*) and fees for program implementation support (*fees for operational services*).

[8] This category collects revenue from program implementation support on projects funded by IFAD, including RTA, GEF, CIF, the Montreal Protocol, and Carbon Funds, as well as revenues from EFOs, Fee-Based Services, TRE's RAMP, and other operational reimbursables.

[9] Cost-sharing income includes reimbursements from formal cost-sharing arrangements with the International Monetary Fund (IMF), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA), involving a variety of services on a full-cost recovery basis.

[10] This category covers services such as facilities rental, publishing, parking, training, other informal cost shared services, pension administration, IT and GSD external user charges, and miscellaneous non-operational services.

provide such services are allocated reimbursable budgets. Table D.1 offers details on such allocations.

5. Non-operational reimbursables are expected to grow at 3.5 percent relative to the original, FY12 budget plans. In that, cost sharing revenues are projected to increase by 4.1 percent relative to the figure stated in the FY12 Budget Document – without major changes in this reimbursable category. This increase is largely driven by expectations of higher revenue from TRE's Assets Management Program for the IMF and other International Financial Institutions.
6. Overall, the other non-operational revenues category is expected to grow 3.0 percent with few notable changes. Revenues from publications are expected to grow by 9.4 percent compared to FY12 Budget Document plans after a long decline following the implementation of the Access to Information policy. Revenues from parking will increase by 17.6 percent to $6.0 million in FY13 and revenues from staff reimbursements are expected to reduce due to reductions in the Global Secondment program and discontinuation of the Staff Exchange program.

Table C.1: Reimbursements and Fee Income FY09-FY13 ($ millions)

	FY10 Budget	FY11 Budget	FY12 Budget	FY13 Budget
Fees for Administrative Services[1]	48.1	48.2	53.9	52.8
Fees for Operational Services	131.6	139.0	142.2	158.2
International Fund for Agricultural Development (IFAD)	0.7	0.4	0.3	0.2
Reimbursable Technical Assistance (RTA)[2]	13.0	12.7	14.0	17.0
Global Environmental Facility (GEF)	25.1	25.8	23.5	23.0
Montreal Protocol (MP)	3.2	3.4	3.9	2.8
Carbon Finance (CF)	28.4	29.1	26.2	23.2
Clean Investment Fund (CIF)	9.5	13.7	11.0	10.1
Management Services (RAMP)[3]	18.8	19.0	23.9	20.9
Externally Financed Outputs (EFO)	17.4	18.8	17.3	17.4
Fee Based Services (FBS)	13.2	15.6	20.9	36.7
Other Operational Reimbursable Arrangements[4]	2.4	0.6	1.3	6.9
SUBTOTAL OPERATIONAL SERVICES	**179.7**	**187.3**	**196.2**	**211.0**
Cost Sharing Income	**51.9**	**64.3**	**71.5**	**74.4**
IMF[5]	4.9	4.8	4.1	4.9
IFC	40.7	51.0	57.7	59.4
MIGA	6.3	8.4	9.7	10.1
Other Non-Operational Services	**71.5**	**71.4**	**71.8**	**74.1**
Facilities Rental/Services[6]	3.8	3.8	4.6	4.2
Publications Sales	5.0	3.5	2.5	2.7
Parking	5.0	5.1	5.1	6.0
Training/ Conferences	1.9	1.0	0.7	1.1
Informal Cost Sharing/ Co-location[7]	2.7	3.1	3.0	3.7
Staff Reimbursements[8]	2.8	1.2	0.2	0.0
Pension Administration and Other Investment	13.7	12.5	13.7	13.8
IMT Support and General Services[9]	28.2	29.6	33.2	33.2
Other Miscellaneous	8.4	11.6	8.8	9.3
SUBTOTAL NON-OPERATIONAL SERVICES	**123.5**	**135.6**	**143.3**	**148.4**
TOTAL	**303.2**	**322.9**	**339.5**	**359.4**
of which Reimbursable Programs[10]	297.6	316.7	333.1	353.4

[1] Includes Trust Fund Admin Fees and GFATM, LDC, SCCF fees, and GEF Trustee, CIF Trustee Fees, and Other TF Fees.
[2] RTA shown seperately for historical consistency, but will be grouped with FBS and RAMP in future presentations.
[3] RAMP includes TRE's Assets Management program to Client Countries.
[4] Includes Reimbursement from Singapore Government, GEMLOC revenue and other operational revenues
[5] Includes TRE's Reserve Advisory and Management Program (RAMP) to IMF.
[6] Includes projections for HQ Real Estate in FY12, netted out in the Program Cost Summary Table.
[7] Includes cost sharing for co-location of offices with IFC, IMF, ADB, etc.
[8] Staff Reimbursements include cost sharing for the Staff Exchange Program, and selected payments for seconded staff.
[9] Includes IMT and GSD external chargeback such as to IFC and MIGA.
[10] Reimbursable Programs are the categories of income against which Bank Units are allocated expense budgets, as opposed to general income related to rentals, rebates and support services provided to the IMF.

ANNEX D: CAPITAL BUDGET

1. The proposed capital budget for FY13 is $171.1 million, a 23.0 percent ($32 million) increase over the Board-approved FY12 capital budget of $139.1 million. The increases are due to investments in Technology and Systems ($13.2 million) and Washington Facilities ($20.3 million) offset by a decrease in Country Office Facilities ($1.5 million). See Table E.1.

Table D.1: Capital Program Summary – Investment Schedule FY12-FY15

		Capital Funds ($ Millions)			
	FY12 Approved	FY12 YTD[1]	FY13 Budget	FY14 Plan	FY15 Plan
Technology and Systems	**67.3**	**55.0**	**80.5**	**55.5**	**50.0**
of which IMT Investment Program Reserve	0.2	n/a	0.9	0.1	13.6
Facilities – Washington	**8.3**	**0.3**	**28.6**	**26.0**	**17.5**
of which HQ Real Estate Proposal	0.5	0.0	0.4	0.7	0.0
H-Building Data Center Move	0.0	0.0	10.0	10.0	10.0
Facilities - Country Office	**63.5**	**31.8**	**62.0**	**62.7**	**57.8**
of which Global Facilities Set-aside[2]	39.0	25.3	22.8	23.0	48.0
Total Capital Budget (All Parts):	**139.1**	**87.1**	**171.1**	**144.2**	**125.3**
Percent Utilization (FY12 YTD Release/FY12 Approved)		**62.6%**			

[1]Data on capital release of funds as of May 8, 2012 for Technology and Systems and May 10, 2012 for Facilities

[2]Global Facilities set-aside is an estimate takings into account on-going/anticipated Decentralization reforms and co-location with IFC and includes country office relocations.

THE CAPITAL PROGRAM FOR TECHNOLOGY AND SYSTEMS

2. The Information Management and Technology (IMT) Three-Year Strategy for FY11-FY13 provides the selection framework for Technology and Systems capital investments – a critical element of the Bank's business modernization.

3. The FY13 Capital Budget for the Technology and Systems program will be distributed as follows:

   - ***Corporate ($8.2 million)** – **increase over FY12.*** This program includes corporate capital investments related to a broad segment of business units including Executive Offices, Committee of Governance, Justice and Sanctions, Administrative, HRS, and Independent units. The FY13 Capital Budget includes on-going funding for HR renewal efforts in PeopleSoft re-implementation and Performance Management Systems ($4.0 million). New investment funding includes budget for President's Office and Board systems upgrades ($1.8 million), and delegation of authority application ($0.4 million).

- ***Finance ($26.5 million) – increase over FY12.*** This program covers the Finance Complex and GSD capital investment portfolio. Major investment for FY13 includes: Qualitative Risk and Analytics system ($4.6 million), automation of market data ($3.4 million), Cash Systems replacement ($2.7 million), TRE infrastructure replenishment ($1.7 million), financial regulation compliance ($1.3 million), Trust Fund shared accounting ($1.2 million), Integrated Planning Solution (IPS) ($1.1 million), eBusiness ($1.0 million), platform for Financial Intermediary Funds ($1.0 million), enhancements to modules in STAR ($1.0 million), comprehensive capital markets workflow ($1.0 million) and Corporate Scorecard ($0.2 million).
- ***Operations & Knowledge ($10.2 million) – increase over FY12.*** This program covers the capital investment portfolio related to Regions, Network Anchors, and other operational business units plus EXT. For FY13, the Capital Budget includes continued investments in knowledge management and collaboration applications ($4.9 million), lending modernization ($1.1 million), FPD data coding ($1.0 million), Trust Fund and aid transparency initiatives ($1.0 million), and Open Data ($0.5million).
- Enterprise Architecture, Technology Infrastructure and Engineering, and Strategic Management programs are under the oversight of the Shared Services Governance body, which approves funding releases and monitors the capital investment portfolio of these programs.
    - ***Enterprise Architecture ($17.3 million) – increase over FY12.*** Notable FY13 capital investments are for on-going programs under PC and desktop replenishment ($11.4 million) and Business Intelligence program ($1.5 million), as well as new investments in mobile applications ($2.9 million).
    - ***Technology Infrastructure and Engineering ($16.1 million) – decrease over FY12.*** FY13 capital investments include cyclical replenishment of servers, communication switches and routers, data storage and backup infrastructure, and HQ network ($5.1 million). The final funding tranche for the Integrated Communications Platform is also provided ($0.7 million).
    - The Security and Business Continuity Council authorizes the Business Continuity Center budget annually. For FY13, capital budget related to BCC investments for cyclical replacement is $7.6 million, which is included in the $16.1 million above.
    - ***Strategic Management ($1.4 million) – increase over FY12.*** FY13 capital investments include monitoring and system forensics ($1.0 million) and next generation cyber security ($0.4 million).
- ***IMT Strategic Program Reserve ($0.9 million).*** The FY13 capital budget includes a reserve for contingency. The release of funds from the IMT reserve is contingent upon :
    - Identification of business efficiencies that can be redeployed to fund the sustaining costs in the Administrative Budget for added capital investments;

- Assurance that the use of reserve was properly prioritized against known and potential risk within the portfolio as a whole (e.g., scope changes and inadequate cost estimation); and
- Confirmation of sequencing of investments to align with actual implementation timing of approved projects.

4. The IMT thematic organization provides an alternative perspective of the Technology and Systems budget (see Table E.2). These themes serve to align strategic direction with the IMT Implementation Agenda.

Table D.2: Thematic Organization and Programs – Investment Schedule FY12-FY15

			Capital Funds ($ Millions)		
Theme **Program**	**FY11** **App'd**	**FY12** **App'd**	**FY13** **Budget**	**FY14** **Plan**	**FY15** **Plan**
1 Modernization of Core Business Capabilities	**17.8**	**23.0**	**42.8**	**29.0**	**15.2**
Bank Operations and Knowledge Reforms	9.4	4.1	8.6	6.0	2.0
HR Reforms and Other Corporate Systems	2.5	6.4	8.0	2.0	0.3
Financial Systems Modernization	5.9	12.5	26.2	21.1	12.9
2 Information Transparency and Access	**6.3**	**7.5**	**3.0**	**5.0**	**2.0**
Information Delivery	3.5	5.0	1.3	0.7	0.0
Strategic Business Intelligence	2.8	2.5	1.7	4.3	2.0
3 Productivity and Connectivity	**6.6**	**28.6**	**18.8**	**9.9**	**13.5**
Global Mobile Solutions	6.6	28.6	18.8	9.9	13.5
4 IMT Capacity Building	**9.7**	**1.4**	**4.0**	**2.6**	**14.2**
Standard Platform Leverage	1.8	1.3	3.2	2.4	0.5
IMT Strategic Reserve	7.9	0.2	0.9	0.1	13.6
5 Steady State Cyclical Re-Investment	**14.5**	**6.8**	**11.9**	**9.0**	**5.1**
Subtotal Capital Release Base Case:	47.0	67.2	79.6	55.4	36.4
Subtotal IMT Strategic Reserve:	7.9	0.2	0.9	0.1	13.6
Total Capital Release:	**54.9**	**67.3**	**80.5**	**55.5**	**50.0**

THE CAPITAL PROGRAM FOR WASHINGTON AND COUNTRY OFFICE FACILITIES

5. The total Bank Facilities capital budget for FY13 is $90.6 million, of which Washington Facilities is $28.6 million and Country Office Facilities is $62.0 million. The FY13 proposed envelope, although in line with what was projected for FY13 in FY12, is $32 million more than in FY12 primarily due to the relocation of the H-Building IT data center, other HQ facility upgrades that had been postponed with the HQ Real Estate Strategy work, country office new acquisitions and out-fitting, and security-related facilities enhancements. The total 3-year FY13-FY15 investment plan for Washington Facilities is $72 million and $182.5 million for Country Offices (see Table E.3).

Table D.3: Capital Program - Investment Schedule FY12-FY15

	Capital Funds ($ millions)				
	FY12 Approved	FY12 YTD*	FY13 Budget	FY14 Plan	FY15 Plan
A. Facilities - Washington					
Security	0.7	0.0	3.6	1.0	0.0
HQ Real Estate Strategy	0.5	0.0	0.4	0.7	0.0
H-Building IT Data Center Relocation	0.0	0.0	10.0	10.0	10.0
Infrastructure Maintenance and Upgrades[1]	7.1	0.3	14.6	14.3	7.5
Washington:	**8.3**	**0.3**	**28.6**	**26.0**	**17.5**
B. Facilities - Country Office					
Security	1.3	1.5	1.0	0.0	0.0
Acquisition and Outfitting[2]	7.5	n/a	23.4	32.9	3.5
Expansions	5.1	4.1	1.0	0.0	0.0
Global Facilities Set-aside[3]	39.0	25.3	22.8	23.0	48.0
Infrastructure Maintenance and Upgrades[1]	10.6	0.7	12.0	6.4	5.9
Vehicle Purchases		0.2	1.9	0.5	0.5
Country Office:	**63.5**	**31.8**	**62.0**	**62.7**	**57.8**
Total Global Facilities:	**71.8**	**32.1**	**90.6**	**88.7**	**75.3**
Percent Utilization (FY12 YTD Release/FY12 Approved)		*44.6%*			

*Data on capital release of funds as of May 10, 2012

[1] Includes capital projects for facilities equipment upgrades, repairs, replacements, and purchases. Also includes projects for existing space renovation and fit-out.

[2] The Acquisition and Outfitting category is related to outfitting/construction of purchases.

[3] Global Facilities Set-aside includes relocations and is an estimate that takes into account on-going/anticipated Decentralization

6. The FY13 Washington Facilities capital budget proposal of $28.6 million will mainly support the relocation of the H-building IT data center and other HQ facilities maintenance, replacements and improvements. Key points to note:

   - Projects related to the data center relocation ($10.0 million), public space improvements ($4.6 million), physical security-related upgrades ($3.6 million) and Business Continuity Center facilities equipment replacements ($2.5 million) will receive the most funding in FY13. Table E.4 summarizes by category the Washington facilities capital budget proposal for FY13-FY15.

Table D.4: Capital Investment Schedule – Washington Facilities FY13-FY15

	Capital Funds ($ Millions)		
	FY13 Budget	**FY14 Plan**	**FY15 Plan**
Air Conditioning/Mechanical Repairs	2.0	2.5	0.0
Audio Visual Systems Upgrade	0.8	0.9	0.0
Business Continuity Initiatives	2.5	0.0	0.0
Food Service Equipment Purchases	0.3	0.7	0.3
Furniture Replacements	2.2	2.2	2.2
Print Services	0.5	1.0	0.5
Public Space Improvements	4.6	3.0	2.0
Security Systems Upgrade/Disaster Planning System	3.6	1.0	0.0
Special Projects: HQ Real Estate Strategy & Data Ctr	11.2	10.7	10.0
Structural Repairs	0.9	4.0	2.5
Total:	**28.6**	**26.0**	**17.5**

7. Investments in Country Office facilities continue to remain at FY12 levels and are higher than previous investment cycles. For FY13, the proposed investment plan is $62.0 million. The proposal takes into account new acquisitions and fit-out, ongoing decentralization as well as the co-location of Bank entities. The Global Facilities set-aside will ensure the necessary flexibility and fiscal space for future decentralization and relocations. For Country Office facilities, key points to note are:

   - The FY13 capital budget includes budget to fund acquisitions and construction of new offices in Uganda, Afghanistan, and Sri Lanka totaling $23.4 million. The remaining $38.6 million of funding includes: investments in security; expansions, and upgrades of existing facilities in support of greater decentralization of staff and authority in the Country Offices; and, to purchase replacement vehicles that meet safety standards of the recently implemented Road Safety Policy.

   - A more centralized approach to the management of the Bank's real estate portfolio overseas is being considered in order to optimize efficiencies and better protect Bank-owned assets globally. Currently, this function is decentralized with each Region managing its respective country office facilities portfolio. Managing the institution's assets as a global real estate portfolio, under the guidance of appropriate expertise will enable Management to plan and implement real estate and facilities projects as a portfolio from a more long term and strategic perspective. It will reduce the likelihood of short-term considerations, such as annual budget targets or constraints, driving significant decisions that will have long-term impact on the Bank. It will also ensure that critical decisions on real estate and facilities are made by staff with requisite knowledge, expertise and based on relevant information. This approach will facilitate consistency, provide a global view in terms of risk management (e.g., security), enable better decisions with respect to leasing, purchasing and/or construction of new facilities, and improve efficiencies.

Table D.5: Capital Investment Schedule – Country Facilities FY13-FY15

	Capital Funds ($ Millions)		
	FY13 Budget	**FY14 Plan**	**FY15 Plan**
Acquisition and Outfitting	23.4	32.9	3.5
Expansions	1.0	0.0	0.0
Global Facilities Set-aside (incl. relocations)	22.8	23.0	48.0
Infrastructure Maintenance and Upgrades	12.0	6.4	5.9
Security	1.0	0.0	0.0
Vehicle Purchases	1.9	0.5	0.5
Country Office Capital Budget Total:	**62.0**	**62.7**	**57.8**

ADMINISTRATIVE BUDGET IMPACT OF THE CAPITAL BUDGET

8. The Bank's administrative budget will be affected in subsequent fiscal years based upon the level of capital spending authority approved by the Board. Budget expenses such as operation and maintenance have a claim on a unit's budget resources. Once a capital project is completed and becomes an asset, depreciation may be the responsibility of the business unit if not centrally funded. In general, VPUs are responsible for these expenses over the life of the asset. A VPU must demonstrate that it can fund carrying costs of a capital investment over the asset's life cycle within their allocated budget before any release of funds.

9. Over the three-year planning period, Technology and Systems capital projects will increase administrative budget expenses by $10.3 million in FY13, $13.6 million in FY14, and $18.2 million in FY15 (including the Business Continuity program). These costs will be funded through the net administrative budget.

Table D.6: Technology and Systems – Incremental Impact FY13-FY15

(In Millions $, FY12 $s)	INCREMENTAL $'s (From FY12-14 Trajectory) FY13 Budget	FY14 Plan	FY15 Plan
Technology and Systems			
IMT One-Time, and Operating & Maintenance	**4.8**	**5.9**	**7.8**
of which			
Corporate	*0.1*	*0.1*	*0.1*
Operations	*0.3*	*0.7*	*1.9*
Shared Services	*4.4*	*5.1*	*5.8*
Finance - FCIMT One-Time, and Operating & Maintenance	**3.0**	**6.5**	**7.0**
Basic Package Chargeback to VPUs[1]	**0.0**	**0.0**	**0.0**
Total IMT Program:	**7.8**	**12.4**	**14.8**
Business Continuity[2]	**0.0**	**0.0**	**0.0**
VPUs (Sponsoring Unit)[3]	**2.5**	**0.8**	**0.4**
Central Accounts Depreciation[4]	**0.0**	**0.4**	**3.0**
Subtotal Other Program:	**2.5**	**1.2**	**3.4**
Total:	**10.3**	**13.6**	**18.2**

[1] Basic Package chargeback was eliminated in FY13 and now is mainstreamed within the IMT Trajectory .

Optional Package designated investments will continue to be recovered by IMT through chargeback.

[2] Business Continuity data includes ISG plus GSD

[3] Represents HRS capital project; one-time administrative, backfill, and maintenance.

[4] Includes only base adjustments from FY13-15 AIP Business Planning decisions

Source: FY13, FY14, FY15 are based upon Business Planning final decisions.

10. In FY12, Senior Management endorsed the consolidation of IT depreciation within Central Accounts in order to ensure that: 1) the administrative budget was appropriately resourced to cover the existing IT asset base; 2) there was alignment between IT capital investment decisions and administrative budget planning; and 3) surplus or deficits in depreciation were handled at the corporate level. The three-year trajectory for IT depreciation is shown in Table E.7:

Table D.7: Technology and Systems – IT Depreciation in Central Accounts FY13-FY15

(In Millions $, FY12 $s)	FY13 Budget	FY14 Plan	FY15 Plan
Technology and Systems			
Depreciation Baseline Trajectory	**27.2**	**33.6**	**33.6**
FY13-15 Incremental Impact/Adjustments[1]	**2.0**	**3.4**	**6.8**
Total[2]:	**29.2**	**36.9**	**40.4**

[1] Includes base transfers for Web Tax, KLC, FPD, and PeopleSoft

[2] Total w/o PC Program, BCC, Below-the-Line units, and Optional chargeback since such depreciation does not reside within the Central Accounts. Budget expense related to TF Fee Income excluded.

Source: FY13, FY14, FY15 are based upon Business Planning final decisions.

11. CFRPA, in consultation with IMT, has developed a series of metrics that will be the basis for assessing how the IT capital program is progressing against planning assumptions and authorized resources. Metrics include targets (or baselines) for project timeliness, resources, and depreciation. Targets for each metric will be set as of July 1st and progress will be reported in the QBRR.

12. For FY13, CTR has modified the Fixed Asset Accounting Policy related to the capitalization of payroll salary and benefits for work performed in application development (IT) and acquisition/construction (Facilities) of a capital asset. This will allow more strategic deployment of staff and reduce administrative budget costs by around $1-2 million in FY13.The effect of facilities capital projects on administrative budget tends to be flatter than IT, primarily because the asset depreciation life cycles are longer term (e.g., 10 to 50 years). The cost of the HQ Real Estate Strategy, a separate reporting line item since FY10, has decreased from $16.3 million in FY08 and now provides a positive income flow to the Bank of $4.1 million in FY13 following the lease of the H-Building to the Unites States Government for a 10-year period starting mid-FY13.

ANNEX E: ONGOING BUDGET-RELATED PROCESS IMPROVEMENTS

1. There are a number of budget-related process improvement projects currently underway as part of the business modernization. They are summarized below.

2. ***Cross support reform.*** Inter-VPU cross-support is the purchase of staff time from another VPU. The current cross support budget settlement system, although designed to ensure effective use of Bank staff resources, is complex, transaction intensive, and not always aligned with the current work program. The Financial and Private Sector Development (FPD) Global Practice pilot includes a component on increasing the level of cross support by addressing two constraints: the perceived high costs of FPD staff vis-à-vis consultants, and the misalignment of when cross support is provided and when its related budget settlement takes place. For the pilot, FPD's cross support mechanism was modified so that settlement occurs during the fiscal year and there are customized reports to monitor activity. Experience from the FPD pilot will be analyzed in early FY13 and, if successful, implemented for all Network Anchors in FY14.

3. ***Centralization of some chargeback services.*** A chargeback mechanism, or internal pricing, is currently used to ensure efficient use of services provided internally, such as HQ office space and many components of IT. This year, a framework was developed to improve accountability for, and transparency in, IT costs, while balancing incentives to optimize utilization and increase efficiencies. The initial application of the simplification framework is to the IT Basic Package, which covers most IT infrastructure services provided by IMT. In FY13, IMT will be fully budgeted for the delivery of the work program linked to the IT Basic Package. Cost will no longer be passed on to IT Basic Package end users. Centralizing basic package chargeback will allow a more strategic budgeting process, built on a conversation with Senior Management on IMT's full budget trajectory.

4. ***Ring-fencing IMT depreciation.*** As noted in the FY12-14 Budget Document, IMT received Senior Management's approval to ring-fence depreciation for IT at the institutional level to: (i) ensure an appropriate level of funding for IT capital investments in the Bank (over the medium term), including aligning administration and capital expense budget decisions during the annual business planning process; (ii) enable benefits/responsibilities of surplus/deficits in depreciation to be handled at the corporate level; and (iii) ensure depreciation funds are not fungible with other administrative funds. IT depreciation for all (closed and active) projects already underway up to the FY12 Annual Investment Plan (AIP) has been consolidated from VPU base budgets to a dedicated Central Account. VPUs' FY13-15 budget trajectories reflect the base budget transfers related to this change. A three-year depreciation trajectory was developed, which is now the basis for the depreciation available for the FY13-15 capital planning process.

5. ***Capital budget systems and process improvements.*** To improve management of our capital investments, an upgraded Clarity system was released to support the approval and tracking of facilities capital projects. Process and systems enhancements will support the Annual Investment Plan, Capital Funds Release, and Interest Capitalization for facilities capital projects. Upgrades have

streamlined, simplified, and increased the efficiency of processes, and will enable managers (involved in HQ and Country office facilities capital projects) to better monitor their overall capital portfolio and also track the status of requested funds for individual projects.

6. ***Corporate Scorecard.*** As part of its focus on results, accountability, and openness, the Bank has developed an electronic version of the Corporate Scorecard, which provides a snapshot of the Bank's overall performance in the context of development results. The web version of the Corporate Scorecard provides easy on-line access to indicators. Data for selected indicators can be disaggregated by regions and countries, and dynamically displayed by time series and various graphic presentations. The Corporate Scorecard website includes definitions, sources, and links to supplemental information and other relevant resources. The current indicators are aligned with data availability, which will increase as the ability to report on results expands. The web-based Corporate Scorecard will continue to be improved in terms of its functionality, richness of data, and variety of information available to the Bank's shareholders, partners, and stakeholders, allowing them to more effectively access and use the Bank's integrated results and performance information. The Corporate Scorecard was first published in print in September 2011.

7. ***Improved shared services agreements within the World Bank Group.*** Following an Internal Audit advisory review in May 2011, new WBG Guiding Principles on Shared Service Arrangements (SSAs) were issued in March 2012, and a governance/oversight structure was established. Alignment of existing SSAs with the new guidelines is underway and should be completed in early FY13.

8. ***Supporting budget transparency and engagement with staff.*** A new website was launched (http://budget) in FY12 to increase internal budget transparency and facilitate dialogue with staff and Management on improvements in budget processes, systems, and policies. The site has four main sections: (i) historical and projected budget trends; (ii) historical Regional Key Performance Indicators and the FY12 MOUs between Vice Presidents and Senior Management; (iii) concepts underlying the corporate planning and budgeting processes; and (iv) an overview of engagements with the Board on the budget. The concepts section includes an explanation of how the Bank finances its $3.2 billion annual work program with a mix of IBRD, IDA and externally provided resources. It also explains the flat net administrative budget constraints, how the budget is allocated at the corporate level, and how individual VPUs then allocate budgets internally.

9. ***Integrated Planning System (IPS).*** Currently, there is no institutional planning tool that integrates planning for budgets, work programs and staff. Therefore, the IPS project is an institutional priority, the delivery of which was committed to the Board as part of the business modernization. The 2009 joint review by the Enterprise Architect's office and CFR on business processes, applications and technologies noted many key areas of improvement in Resource and Performance Management. Specific findings included: (i) inconsistencies in the integration of resource and performance management systems; (ii) multiple sources for the same information; (iii) limited staff planning abilities; (iv) weak standards and governance; (v) inflexible reporting on emerging priorities; (vi) difficulties in integrating data with work plan programs; (vii) multiple point-to-point interfaces; and

(viii) slow response to changing business requirements. For example, the review found seven different tools for business planning and monitoring plus a variety of planning spreadsheets were being used by different VPUs. These tools vary in complexity and level of integration with institutional systems like SAP and Business Warehouse.

- In FY12, IPS was piloted by the six Regions and CFR with the objectives of: (i) developing a standardized platform for planning and monitoring Bank programs, integrated with institutional systems, that can be used initially by Regions and then by Networks and FACs to plan and monitor resources, staff and work programs at corporate, VPU and unit levels; (ii) facilitating better alignment of priorities and resources through advanced planning and reporting capabilities both at corporate and unit levels; (iii) implementing a business-driven approach (for the users, by the users) and achieving business integration, including attention to Country Office needs and environment; and (iv) enhancing data quality and generating efficiencies by exploiting existing technologies (i.e., use of Data Services Layer technology/BI Platform).
- The Business Planning and Work Program Planning modules of IPS were delivered in FY12. These modules facilitate integrated planning of deliverables and resources both at the aggregate level for strategic three-year planning and at the more detailed current-FY level. They allow for planning by Country Management Unit, Sector Management Unit, Country, Project and Task as well as across dimensions including sectors, themes, business processes, strategic pillars/programs/business lines, and all sources of funds.
- The IPS will combine and replace the functionality currently provided by different platforms like the Business Planning and Reporting Tool, Work Program Agreement and Task Planning Tool. The Budget and Expense Planning module has been developed and released for technical testing. It will facilitate budget and expense planning at all levels of the Commitment Item Hierarchy.
- Additional modules will be piloted in FY13 including Workforce Planning, Trip Planning, Mission Planning, IDA Allocations. Depending on the status of the accountability framework for Network Anchors and FACs in late FY13, further modules may be added to the IPS.