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# About International Monetary

## Fund (IMF)

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The IMF was conceived in 1944 at the **United Nations Bretton Woods Conference** in New Hampshire, United States. IMF and the World Bank are called **Bretton Woods twins**.



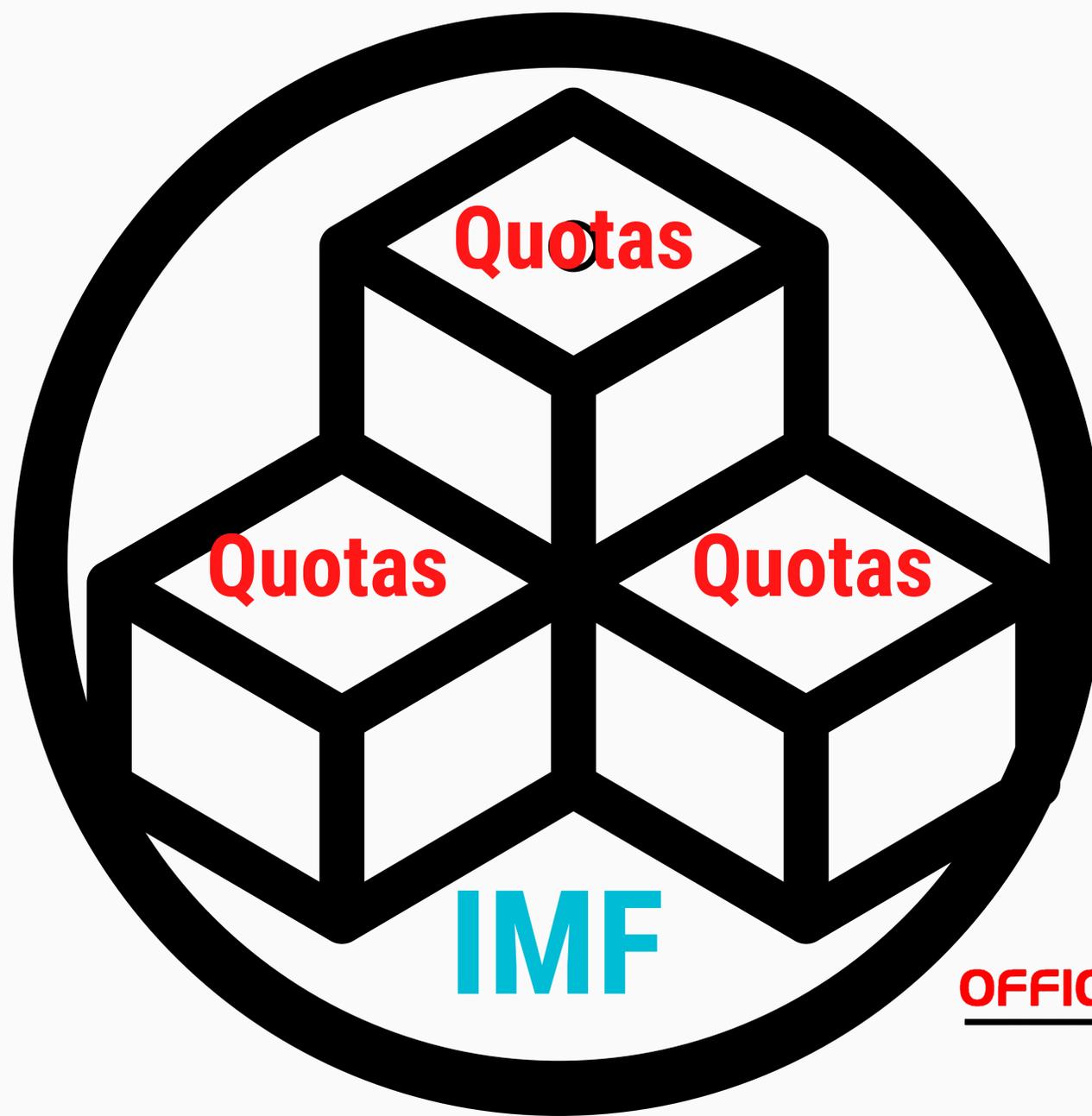
### Bretton Woods Twins

It is an organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.



# IMF Quotas

Quotas are the building blocks of the IMF's financial and governance structure. Most resources for IMF loans are provided by the member countries, primarily through their payment of quotas.



IMF quotas are distributed according to a four-pronged formula that considers a member **country's GDP**, its **economic openness**, its **economic variability** and **international reserves**.

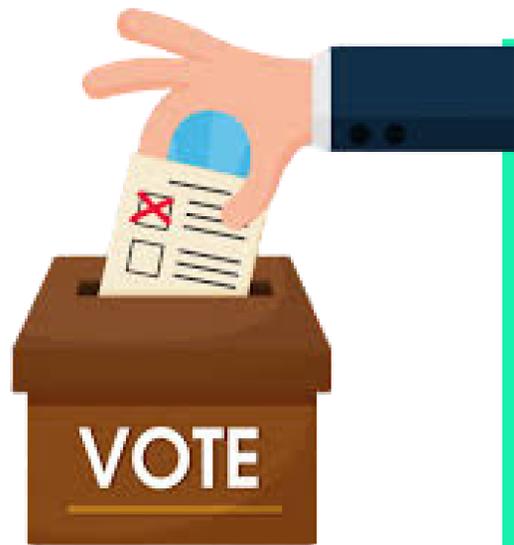


Quotas are denominated in **Special Drawing Rights (SDRs)**, the IMF's unit of account

# Multiple roles of quotas

## Resource Contributions

Quotas determine the maximum amount of financial resources a member is obliged to provide to the IMF



## Voting Power

Quotas are a key determinant of the voting in IMF decisions. Votes comprise one vote per SDR 100,000 of quota plus basic votes (same for all members).

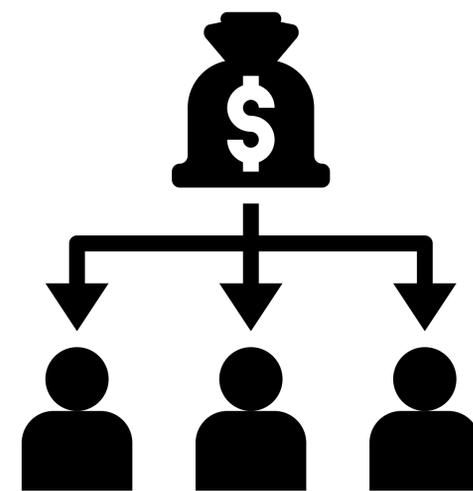
## Access to Financing

The maximum amount of financing a member can obtain from the IMF under normal access is based on its quota.



# SDR Allocations

Quotas determine a member's share in a general allocation of SDRs.



## Quota reviews

The IMF's Board of Governors conducts general quota reviews at regular intervals.

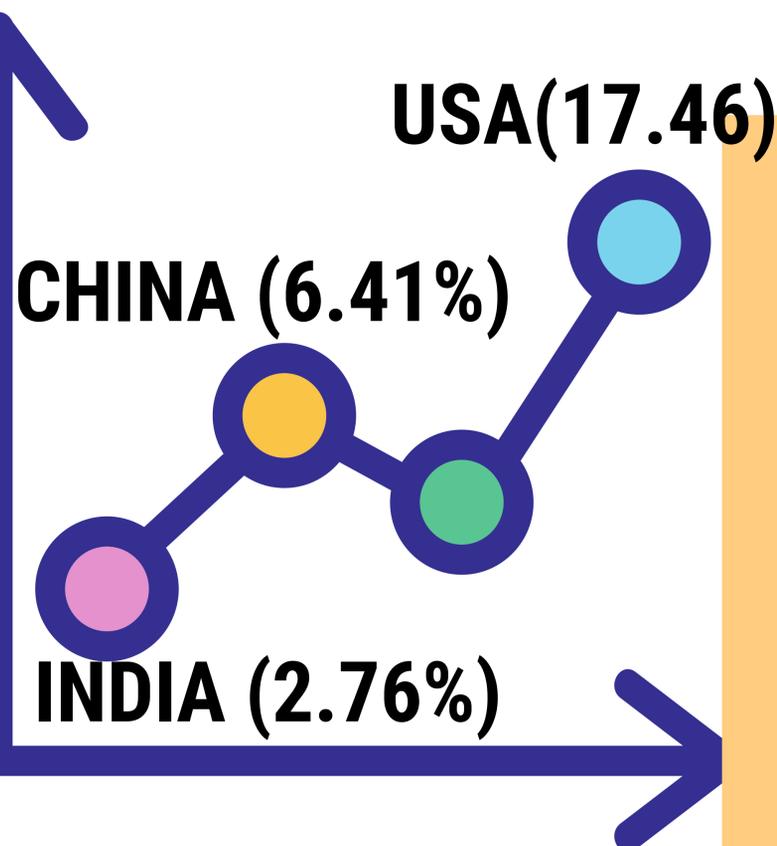
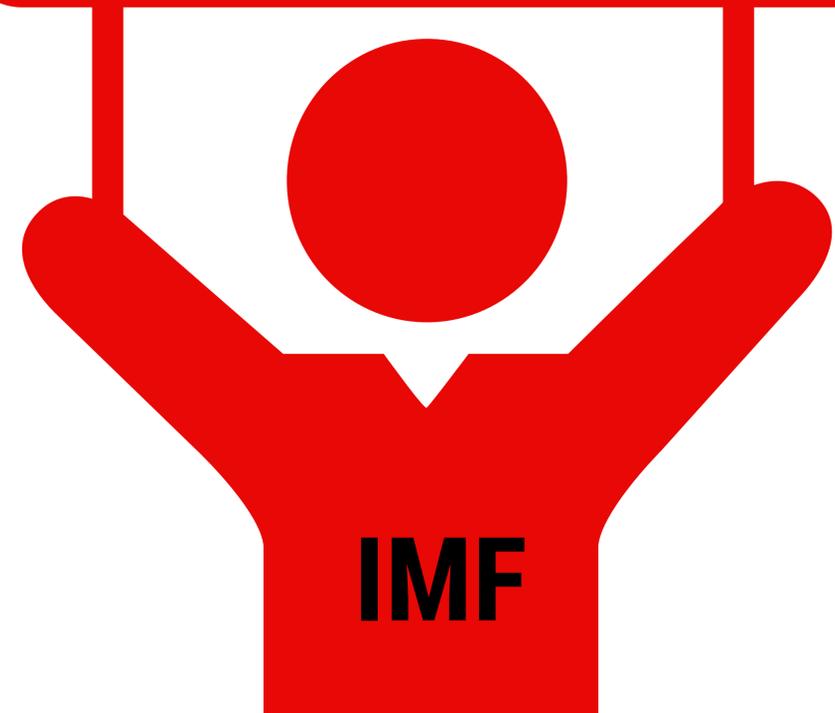
Any changes in quotas must be approved by an **85 percent majority** of the total voting power, and **a member's own quota cannot be changed without its consent.**



# Concerns

Some IMF members have been demanding changes in quotas for a long time

**Demanding changes**



India's quota is 2.76% and China's is 6.41%, while the U.S.'s quota is 17.46 % (translates to a vote share of 16.52%) giving it a unique veto power over crucial decisions at the IMF, many of which require a supermajority of 85%.

# Why in News?

In the 15th quota review, members of the IMF agreed to postpone changes to its **voting structure**.

