

Web Box 4.3

Quotas at the IMF

An IMF member's quota delineates basic aspects of its financial and organizational relationship with the IMF. It determines the maximum amount of financial resources the member is obliged to provide to the IMF, its voting power in IMF decisions,¹ and its access to financing.²

When a country joins the IMF, it is assigned an initial quota in the same range as the quotas of existing members that are broadly comparable in economic size and characteristics. To calculate quotas, the IMF uses a weighted formula that takes into account GDP, openness, economic variability, and international reserves. The largest member of the IMF is currently the United States, with a quota of SDR 37.1 billion (about US\$54.9 billion), and the smallest member is currently Palau, with a quota of SDR 3.1 million (about US\$4.6 million).

The IMF's Board of Governors conducts general quota reviews at regular intervals (see chapter text). Ad hoc quota increases outside general reviews are also possible but do not occur often, and the Executive Board has decided that further realignments of quota shares should be recommended in the context of general quota reviews, beginning with the Fourteenth General Review. Any changes in quotas must be approved by an 85 percent majority of the membership.

¹ Each IMF member currently has 250 basic votes plus one additional vote for each SDR 100,000 of quota. Accordingly, the United States has 371,743 votes (16.74 percent of the total), and Palau has 281 votes (0.01 percent). The number of basic votes will change should the April 2008 quota reforms be approved by the membership and become effective.

² Currently, under Stand-By and Extended Arrangements, a member can borrow up to 200 percent of its quota annually and 600 percent cumulatively. However, access may be higher in exceptional circumstances.