



IMF POLICY PAPER

PROGRESS ON THE FIFTEENTH GENERAL REVIEW OF QUOTAS—REPORT OF THE EXECUTIVE BOARD TO THE BOARD OF GOVERNORS

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- The **Report**, discussed and adopted by the IMF Executive Board on April 3, 2019.

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International Monetary Fund
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Progress on the Fifteenth General Review of Quotas Report of the Executive Board to the Board of Governors

1. In December 2016, the Board of Governors adopted Resolution No. 72-1 on the Fifteenth General Review of Quotas (hereafter the “Fifteenth Review”), which, inter alia, (i) called on the Executive Board to work expeditiously on the Fifteenth Review in line with existing Executive Board understandings and the guidance provided by the International Monetary and Financial Committee (IMFC) on October 8, 2016, and with the aim of completing the Fifteenth Review by the 2019 Spring Meetings and no later than the 2019 Annual Meetings; and (ii) requested that the Executive Board report to the Board of Governors on progress on the Fifteenth Review semi-annually.

2. On October 4, 2017, the Executive Board discussed and adopted its first semi-annual report on progress on the Fifteenth Review.¹ The report covered issues related to the quota formula and realigning quota shares as well as issues related to the adequacy of Fund resources, discussed in informal meetings on September 1 and on September 15, 2017, respectively.² On April 3, 2018, the Executive Board discussed and adopted its second semi-annual report on progress on the Fifteenth Review.³ The report covered issues related to both the adequacy of Fund resources and the quota formula and realigning quota shares, discussed in an informal meeting on February 2, 2018. On September 21, 2018, the Executive Board discussed and adopted its third semi-annual report on progress on the Fifteenth Review.⁴ The report covered additional issues relating to both the adequacy of Fund resources and the quota formula and realigning quota shares, discussed in an informal meeting on July 30, 2018.

3. Since the last semi-annual report, it has become evident that it will not be possible to secure the required support for a quota increase under the Fifteenth Review. Most Directors supported a quota increase, underlining the importance of maintaining a quota-based Fund and making further progress on governance reform. However, it is clear that this support falls short of the 85 percent majority of the total voting power necessary for any change in quotas, and most Directors expressed their disappointment at this outcome.⁵

4. In light of this development, Executive Directors have initiated informal discussions on possible approaches that would be guided by two principles: (i) the Fund should have sufficient resources to provide full confidence that it can adequately support its membership; and (ii) the delay

¹ [Progress on the Fifteenth General Review of Quotas—Report of the Executive Board to the Board of Governors](#) (10/4/17).

² As is customary for general reviews of quotas, the forum for the discussions is the Committee of the Whole. The Committee of the Whole for purposes of the Fifteenth Review was established by the Executive Board on January 30, 2013.

³ [Progress on the Fifteenth General Review of Quotas—Report of the Executive Board to the Board of Governors](#) (4/3/18).

⁴ [Progress on the Fifteenth General Review of Quotas—Report of the Executive Board to the Board of Governors](#) (9/21/18).

⁵ Under Article III, Section 2, any change in quotas requires approval by an 85 percent majority of the total voting power of the Board of Governors, and the consent of any affected member.

in further quota and governance reforms should be only temporary. The Executive Board plans to continue these discussions as a matter of the highest priority and will report to the Board of Governors on their outcome when it submits a proposal on the conclusion of the Fifteenth Review.