

# Reforming the IMF Quota System and World Bank Voting Shares

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The **African Center for Economic Transformation (ACET)** is a Pan-African economic policy institute, based in Accra, Ghana supporting Africa's long-term growth through transformation. We produce research, offer policy advice, and convene key stakeholders so that African countries are better positioned for smart, inclusive, and sustainable development that improves lives.

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## ABOUT THIS REPORT

The African Center for Economic Transformation (ACET) led the development of this report with generous support from the Gates Foundation as part of ACET's broader efforts to advance reforms to the global financial architecture. In this regard, in April 2022, African ministers of finance asked ACET and other partners to help them prioritize global financial architecture reforms that best position Africa for successful economic transformation. This resulted in the Marrakech Declaration and Marrakech Action Framework. This report was a collaborative effort between ACET and Development Reimagined, drawing upon a wide range of experts and stakeholders. It is intended to inform next steps on strengthening governance reforms in international financial institutions.

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# CONTENTS

<b>About this report</b> .....	<b>3</b>
<b>Acknowledgments</b> .....	<b>3</b>
<b>Introduction</b> .....	<b>5</b>
<b>Diagnosis of the issue – IMF quota system</b> .....	<b>7</b>
Current quota distribution .....	8
The challenge .....	9
<b>Recommendations for doubling Africa’s IMF quota share</b> .....	<b>11</b>
Scenario building .....	12
Impact on African countries.....	19
Impact on Africa’s relationship with the IMF .....	19
<b>Adjusting the IMF quota formula to meet Africa’s needs</b> .....	<b>22</b>
Impact of formula change on Africa’s relationship with the IMF .....	25
<b>Diagnosis of the issue – World Bank voting shares</b> .....	<b>26</b>
Voting power .....	26
The challenge .....	28
<b>Recommendations for reforming the distribution of World Bank voting shares</b> .....	<b>30</b>
<b>Conclusion</b> .....	<b>33</b>
<b>Endnotes</b> .....	<b>34</b>



# Introduction

The International Monetary Fund (IMF) and the World Bank<sup>1</sup> are arguably the most important players in the international financial system. The IMF is tasked with promoting financial stability, while the World Bank works to reduce poverty. Yet, both institutions have long been criticized for their inability to sufficiently meet the needs of their most vulnerable members.

The IMF, functioning as the global “lender of last resort,” utilizes a quota system to determine member countries’ financial commitments, voting power, assistance access, and special drawing rights (SDRs) allocation. The initial historical considerations that framed the IMF’s founding in 1944 evolved into a formula based on economic size, openness, variability, and international reserves. The IMF quota system is as unequal today as it was in 1944. Low-income countries, particularly African countries, have a very small piece of the quota pie. African Union (AU) member states collectively possess only 5.2 percent of the total IMF quotas. Meanwhile, the United States has 17.4 percent of the quotas, giving it veto power over most decisions of the Fund. Germany also has a higher quota share than all African countries combined. In addition, three of the four African founding members<sup>2</sup> of the IMF—Ethiopia, Egypt, and South Africa—have fewer shares today than they did initially. This means that African quota shares have neither been protected nor maintained over the last 80 years.

The persistent inequity in the Africa region’s allocation since the IMF’s inception raises concerns about the fairness of the existing quota system. Despite periodic reviews, the current formula perpetuates imbalances, favoring high-income countries. Attempts to address this flaw, such as the 14th Review in 2010, which doubled quotas and reallocated shares, and the 2023 16th Review, which proposed a 50 percent increase, have not rectified the skewed distribution. As a result, African countries are stuck in a vicious cycle where they consistently need resources from the IMF but are limited in what they can receive and at the same time lack influence to rectify this situation.

Like the IMF, the World Bank faces a crisis of legitimacy. The World Bank (IBRD) has voting shares whereby member countries are allocated votes at the start of their membership and when they make additional subscriptions to capital. In other words, voting power in the Bank is aligned to ownership shares. The distribution of voting power at the World Bank was set up to reflect each member’s comparative economic strength, which was determined using different variables, including national income, reserves, and international trade volumes. For instance, during the inception of the Bank, the United States was allocated 35 percent of Bank stock, including specific governing rights such as veto power over major decisions.

Founded in the immediate post-war period when a significant number of its current members were still colonial holdings, the Bank’s governance and decision-making structures have not evolved to adapt to important contemporary international norms of democracy and accountability. Whereas the distribution of voting shares has evolved over the years, the dominance of developed countries has remained intact, with high-income countries controlling over 60 percent of the voting shares at the Bank, led by the United States with over 15 percent

voting shares and holding de facto veto power. Due to the initial emphasis on members' capital contributions, the Bank's governance and decision-making structures continue to favor wealthier members at the expense of developing countries.

Over the years the share of developing countries in the global economy has increased but the distribution of power in the Bank has not adjusted sufficiently to reflect this reality, remaining more reflective of past shares than of present conditions. Moreover, it is developing countries that interact more frequently with the Bank as its exclusive borrowers and are therefore more directly affected by the Bank's policies.

In response to these concerns, there have been several attempts to redistribute voting shares in the Bank such as the 2010 and 2018 reform initiatives. However, these reforms have resulted in marginal changes to the power distribution in the Bank. This is in large part because there has been little to no desire or enthusiasm for reform on the part of the largest shareholders.

The IMF Board of Governors is expected to conclude the 17th General Review of Quotas by June 2025. Meanwhile, the Fourth Review of the World Bank Shareholding by the Board of Governors is underway and is expected to conclude this year. In both cases, it is important to note that the proposed changes are in both organization's own interest so that they become more legitimate and accountable institutions that reflect global economic realities and that can effectively fulfill their mandate amidst an evolving global economic and development landscape. Increasing the voice and power of developing countries in governance of the Fund and the Bank would increase the ownership and relevance of Bank policies in these countries.



## Diagnosis of the issue – IMF quota system

The International Monetary Fund, known as the world’s “lender of last resort,” employs a system of quotas that serves four essential functions in the running of the institution.<sup>3</sup> The quotas determine member countries’ financial contributions (e.g., for increasing the IMF’s capital), voting power (e.g., on decisions to provide emergency finance to countries in times of need), access to financial assistance (member countries’ access limits on IMF resources depend on their quota share), and the allocation of SDRs.

The initial distribution of quotas was negotiated at the creation of the IMF in 1944, at a time when virtually all African countries were still colonies and therefore had no input into the design of the IMF or the distribution of quotas. In those discussions, different member states put forth various arguments for higher quota shares.<sup>4</sup> For instance, the UK argued for a higher quota share that would reflect its trade with its then-colonies. The US argued that its large economic size and dominance should be taken into account. France argued that the population of its colonies should affect its quota as well.

Over time, a “formula” emerged, which is now generally used to determine and adjust quota shares of IMF member countries as the global economy evolves. Today’s formula has four key elements:

- An “**economic size**” variable (measured in terms of GDP) which captures a country’s contribution to global economic output and its ability to contribute funds to the IMF. Bigger economies get a larger share of the variable on the premise that if their economies suffer, they may need to draw on more resources from the IMF relative to other economies. This variable accounts for **50 percent** of the quota.
- An “**openness**” variable (measured in terms of external receipts) which captures the level of a country’s involvement in international trade. Countries that are more open to the world and therefore more vulnerable to global shocks get more resources from the IMF. This variable accounts for **30 percent** of the quota.
- A “**variability**” variable (measured in terms of volatility of external trade) which captures the volatility in a country’s external trade and therefore its potential need for IMF resources. Countries that have more volatile or vulnerable economic features that make them more susceptible to balance of payments shocks (e.g., they have high flows of foreign investment or are more reliant on exports) get more access to IMF resources. This variable accounts for **15 percent** of the quota.
- An “**international reserves**” variable (measured in terms of forex reserves) which captures a country’s position in the international financial system. Countries with higher reserves of foreign exchange, gold or SDRs get more access to IMF resources. This variable accounts for five percent of the quota.

## Current quota distribution

As a result of this formula, high-income countries end up holding significantly larger quotas, which not only limits the voice and decision-making power of low-income countries but also limits their access to emergency IMF support. This is the case even though history has shown that low- and middle-income countries are more likely to need “lender of last resort” support from the IMF than their high-income counterparts.<sup>5</sup>

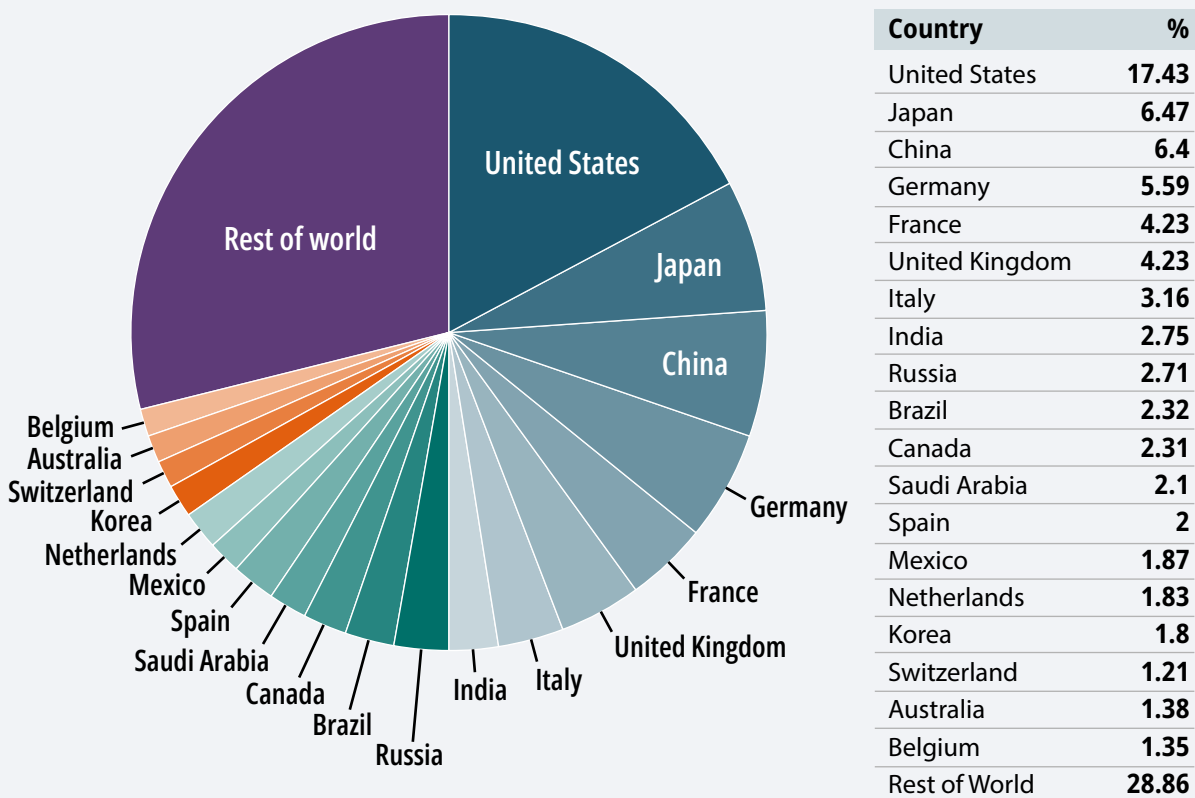
The IMF quota system is regularly reviewed. For instance, the IMF’s 14th General Review of Quotas, completed in 2010 and implemented in 2016, aimed to enhance the decision-making power of emerging market economies, as well as these economies’ access to IMF resources.<sup>6</sup> This was achieved by doubling quotas for all IMF members as well as changing the quota formula to transfer six percent quota shares from what were perceived as “overrepresented” members to those underrepresented, in order to reflect the growing share of emerging market economies in the global economy.

In contrast, the 15th General Review of Quotas that followed and concluded in 2020 did not involve any changes to quotas but provided guidance for the 16th review that concluded in December 2023.<sup>7</sup> In this most recent review, no changes were made to the quota formula and therefore the distribution, but the IMF did agree that all quotas of member countries should increase proportionally by 50 percent.<sup>8</sup>

At present, after all these changes, the United States remains the largest IMF shareholder with 17.4 percent of total quotas, continuing to grant it effective veto power in any discussions involving changes to the quota formula (Figure 1).

Meanwhile, AU member states collectively possess 5.2 percent of the total quotas, which is equivalent to just 29.7 percent of the quota share of the United States. South Africa holds the largest share (0.64 percent) among African member states, followed by Nigeria (0.52 percent), Egypt (0.43 percent), and Algeria (0.41 percent). This means that 39 African countries each hold less than 0.1 percent of overall IMF quotas. Germany, a single country, has around the same number of quotas as the entire African continent.

Figure 1. Quota share of different IMF member countries



## The challenge

The persistent deficiencies in the IMF quota formula produce a skewed quota distribution which undermines the IMF’s capacity to meet the needs of its member states, especially those of low- and middle-income countries, including AU member states. The African region has had a small quota allocation since the founding of the IMF. Only four African countries were founding members of the IMF out of a total of 44 countries in 1944. Of those four African founding members of the IMF, three (South Africa, Egypt, and Ethiopia) now have fewer shares than they did initially—suggesting that Africa’s quota share has not been protected over the past 80 years. Moreover, because of the current quota formula, African countries are effectively locked into a vicious cycle whereby they regularly need to seek resources from the IMF. But these resources are always too limited to make possible any significant change that will build resilience to shocks that the IMF is ostensibly meant to help deal with.

A further consequence of the IMF’s present formula is the skewed distribution of power. Since the IMF’s inception, there have traditionally only been two African Executive Directors. A third African Executive Director was appointed at the 2023 IMF Annual Meetings, but this change was not accompanied by an increase in Africa’s decision-making power. This state of affairs points to the need for African countries to get larger quota shares in order to make their relationship with the IMF more effective and beneficial. The case for a larger quota for African countries is three-fold, beyond the stark inequities already set out above:

- **African countries have significant financial needs for development**, but their economic size (especially individually) is insufficient to raise sufficient finance on their own and provide enough resources to build up financial reserves. African countries face elevated costs of capital due to various factors, including overblown risk perceptions, biased credit rating assessments, and underdeveloped domestic financial markets.
- **African countries are relatively more vulnerable to external shocks**, due especially to their long-standing low-value and commodity-based economic structure creating a structural vulnerability that is not sufficiently captured by the quota formula.
- **African countries can be expected to need more emergency financial resources** due to high climate change vulnerability as well as the volatile short-to-medium-term outlook on the global economy.

As the IMF Board of Governors prepares to engage in the 17th General Review of Quotas by June 2025,<sup>9</sup> it is important to keep in mind that the proposed changes are in the IMF's own interest so that it becomes a more legitimate institution that can more effectively fulfill its mandate as a "lender of last resort." The proposed changes are also consistent with the G20's stated goal of balanced quota reform towards emerging market and developing country economies.<sup>10</sup> Moreover, as demonstrated by the different scenarios presented in the following section, this can be achieved at minimal cost to high-income countries but with many benefits for Africa and the world.

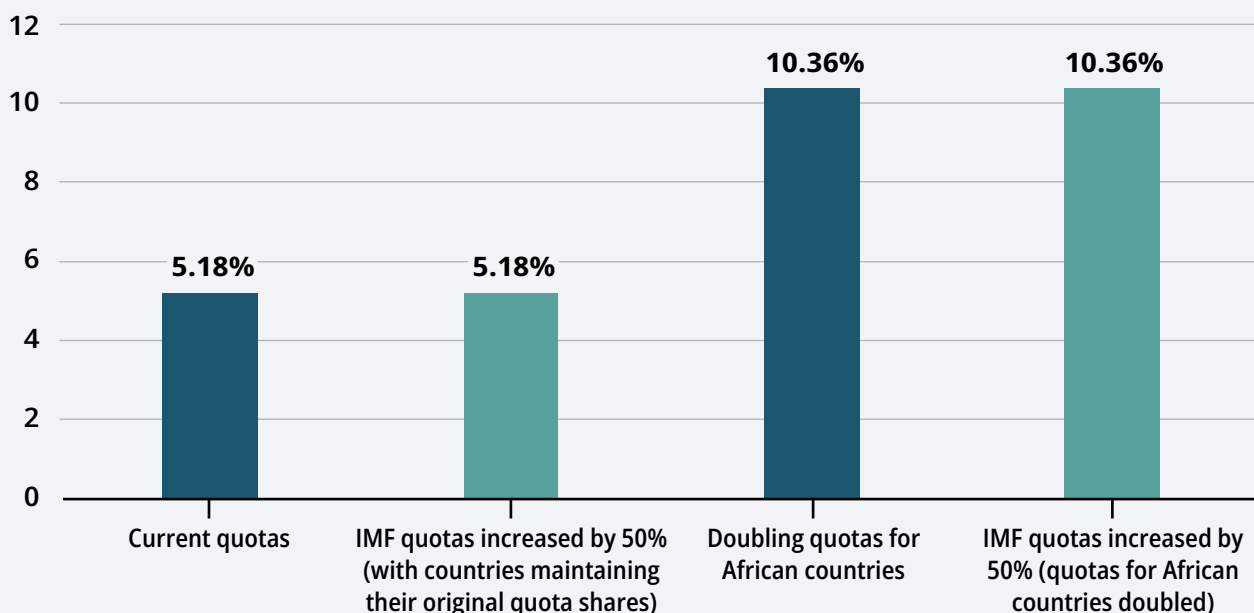


# Recommendations for doubling Africa’s IMF quota share

This section explores different scenarios for doubling Africa’s IMF quota share.<sup>11</sup> In all scenarios, redistribution of IMF quotas leads to a higher quota share for Africa than simply increasing quotas for all countries proportionately.

As illustrated in Figure 2, it is possible to increase Africa’s total IMF quota without increasing Africa’s share of IMF quotas. For instance, with a straightforward 50 percent increase in IMF quotas, African countries would gain extra quotas worth SDR 18.5 billion, with no change to their share of IMF quotas. However, if total African quotas are doubled (i.e., from 5 percent to 10 percent) by redistributing the quotas of non-African countries (under the various scenarios outlined in Table 1), Africa gets extra quotas worth SDR 37 billion, doubles its quota share and, consequently, increases its relative voice and decision-making power in the IMF. A similar result—i.e., an increase in Africa’s quota share, as well as an increase in its voice and decision-making power—would be obtained in the scenario where there is a 50 percent overall quota increase accompanied by a doubling of Africa’s quota share through redistribution. For this reason, redistribution—rather than a general increase of IMF total quotas—emerges as the most viable route to increasing Africa’s quota share.

**Figure 2. Impact of changing IMF quotas for African countries**



## Scenario building

There are numerous ways to “redistribute” IMF quotas from non-African to African countries. The following model scenarios double Africa's quota share to 10 percent from the current 5.2 percent. Within these different scenarios, it is possible to accommodate any concerns that other low- and middle-income countries might have about their own voice and power in the IMF.

**Table 1. Summary of approaches for redistributing IMF quotas to increase Africa's share**

Approach	Redistribution	Gains for Africa	Main drawback / challenge	Viability rank (max 7)
1a	Redistribute quotas evenly from all non-African countries that hold quotas	37.1 billion quotas	Some non-African countries with small quotas end up with negative quotas. <sup>12</sup>	N/A
1b	Redistribute quotas proportionately from non-African countries that would see a reduction of less than 10 percent in their quota share.	37.1 billion quotas	Some affected non-African countries have less quotas than some African countries and would therefore likely resist the change.	6
2a	Redistribute quotas of G20 members equally to increase Africa's share.	37.1 billion quotas	No parity among G20 countries as they would all give up the same quotas regardless of economic size.	2
2b	Redistribute quotas of G20 members proportionately to increase Africa's share.	37.1 billion quotas	Affects underrepresented emerging economies that may resist redistribution.	1
3a	Redistribute quotas of G7 members equally to increase Africa's overall share.	37.1 billion quotas	No parity among G7 countries as they all give up the same quotas regardless of economic size.	4
3b	Redistribute quotas of G7 members proportionately to increase Africa's share.	37.1 billion quotas	Lack of political will among G7 due to concerns about diminished influence.	3
4	Redistribute quotas of the largest carbon emitters equally to increase Africa's share.	37.1 billion quotas	Includes underrepresented emerging economies that may resist redistribution.	5

Approach 2b is recommended as the most viable because it (i) protects the quotas of the smallest countries, (ii) aligns with the G20's stated commitment to quota reform, and (iii) would incur the smallest costs for affected countries in terms of the number of quotas they give up.

## APPROACH 1A

### Redistribute quotas evenly from non-African countries

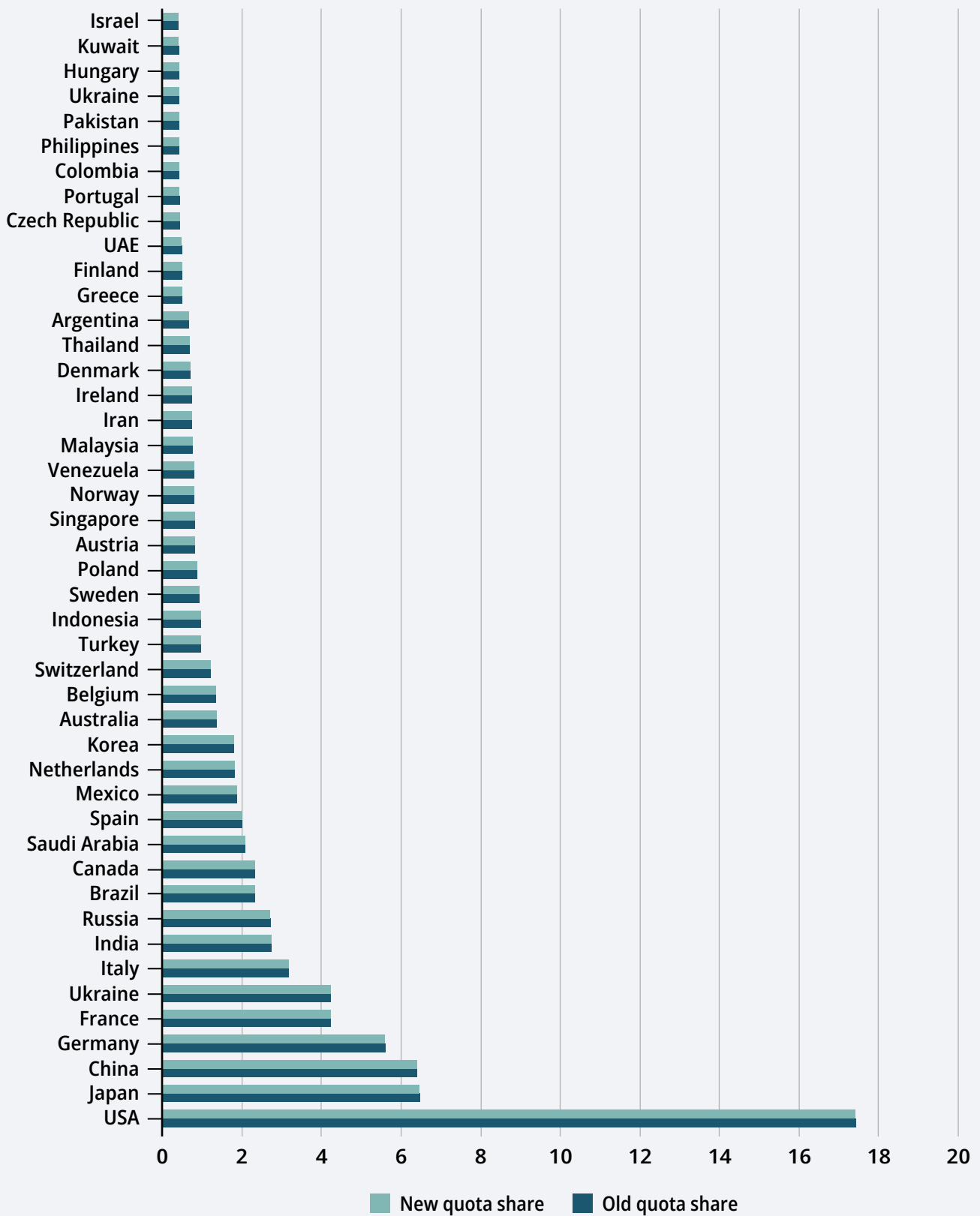
Quotas could be evenly redistributed from non-African countries. This would result in a reduction of SDR 273.1 million for each non-African country. This would be the most equitable approach, as all countries would be affected in the same way. However, this would also lead to about a third of IMF members (63 countries) having negative SDRs. This is because some IMF members have quotas that are less than SDR 273.1 million (how much each non-African country would have to give up). For example, Tuvalu's quotas would decrease from SDR 3.75 million to negative SDR 269.4 million; Tonga's would decrease from SDR 20.7 million to negative SDR 252.4 million and St. Lucia's would decrease from SDR 32.1 million to negative SDR 241 million. This approach is therefore not feasible.

## APPROACH 1B

### Redistribute quotas proportionately from non-African countries that would see less than a 10 percent reduction in their shares

Quotas could be redistributed proportionately from non-African countries that would end up with a reduction of less than 10 percent of their total quotas. There are 45 such countries accounting for a combined 87.7 percent of IMF quotas. This approach is more progressive relative to Approach 1a insofar as it redistributes quotas from countries with the most quotas—countries that would suffer minor reductions in their quotas as a result of the redistribution. The US' share of quotas would drop from 17.43 percent to 17.40 percent; Japan's from 6.47 percent to 6.46 percent; China's from 6.4 percent to 6.39 percent; and Germany's from 5.59 percent to 5.585 percent. The relatively smaller economies affected would also experience a slight reduction of their share of quotas. Israel's share of quotas would reduce from 0.4033 percent to 0.4028 percent; the UAE's share would reduce from 0.4583 percent to 0.4846 percent; and Finland's would reduce from 0.506 percent to 0.505 percent. Meanwhile, countries like Tonga or St. Lucia in the examples above would see no reduction.

Figure 3. Impact of redistribution under Scenario 1b

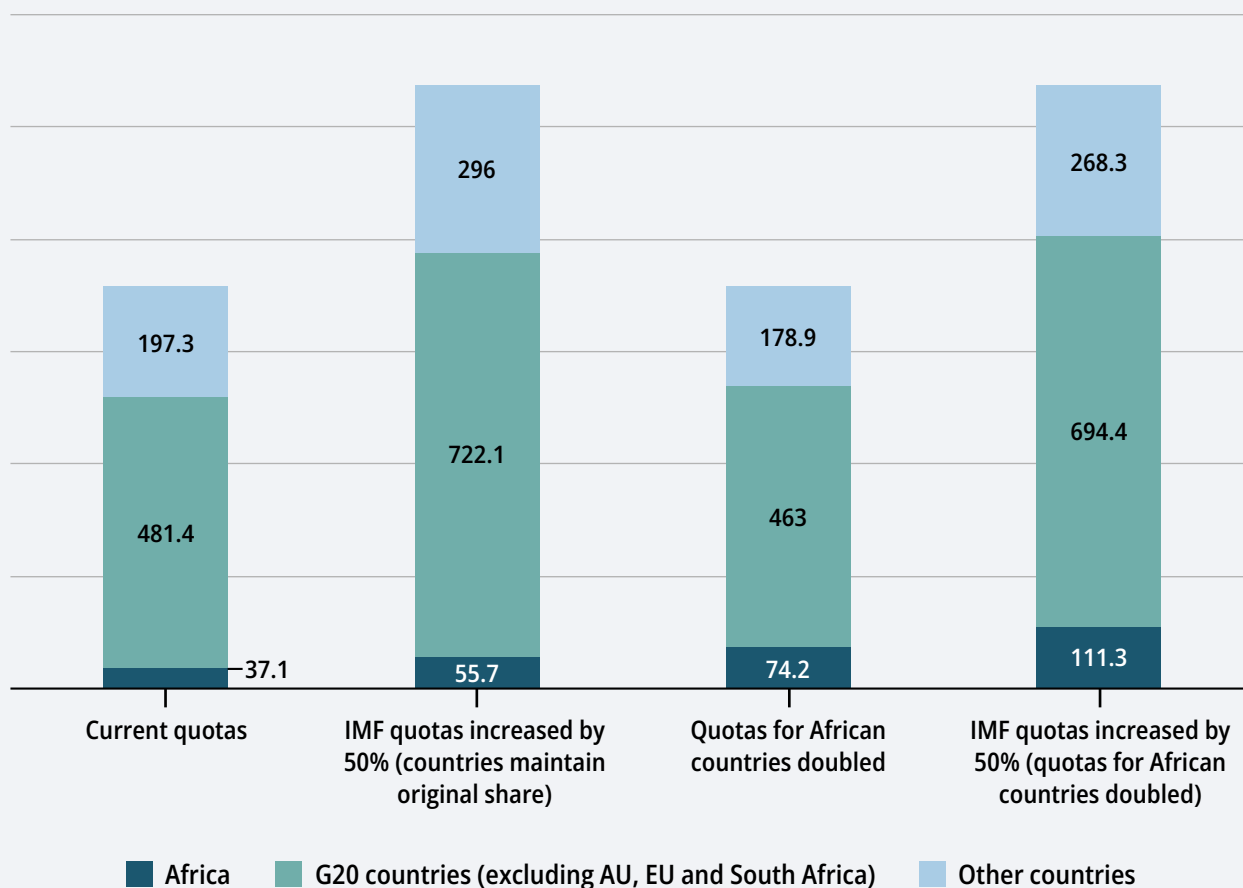


## APPROACH 2A

### Equally redistribute quotas of only G20 members

Quotas of only G20 member countries could be equally redistributed to African countries. Consequently, the quotas for G20 countries would decrease by a combined 11.5 percent, with each country's quota diminishing by SDR 2.04 billion while Africa's share would double to SDR 74 billion (Figure 4). This is a viable option because G20 member countries have the largest quotas, accounting for a combined 67.4 percent of IMF quotas. As with the previous scenarios, this means that these countries would have to give up a small share of their quotas to increase Africa's share. Moreover, the G20 has raised the importance of, and expressed its commitment to, IMF quota reform, including in their most recent communique.<sup>13</sup>

**Figure 4. Scenarios for redistributing quotas to Africa**

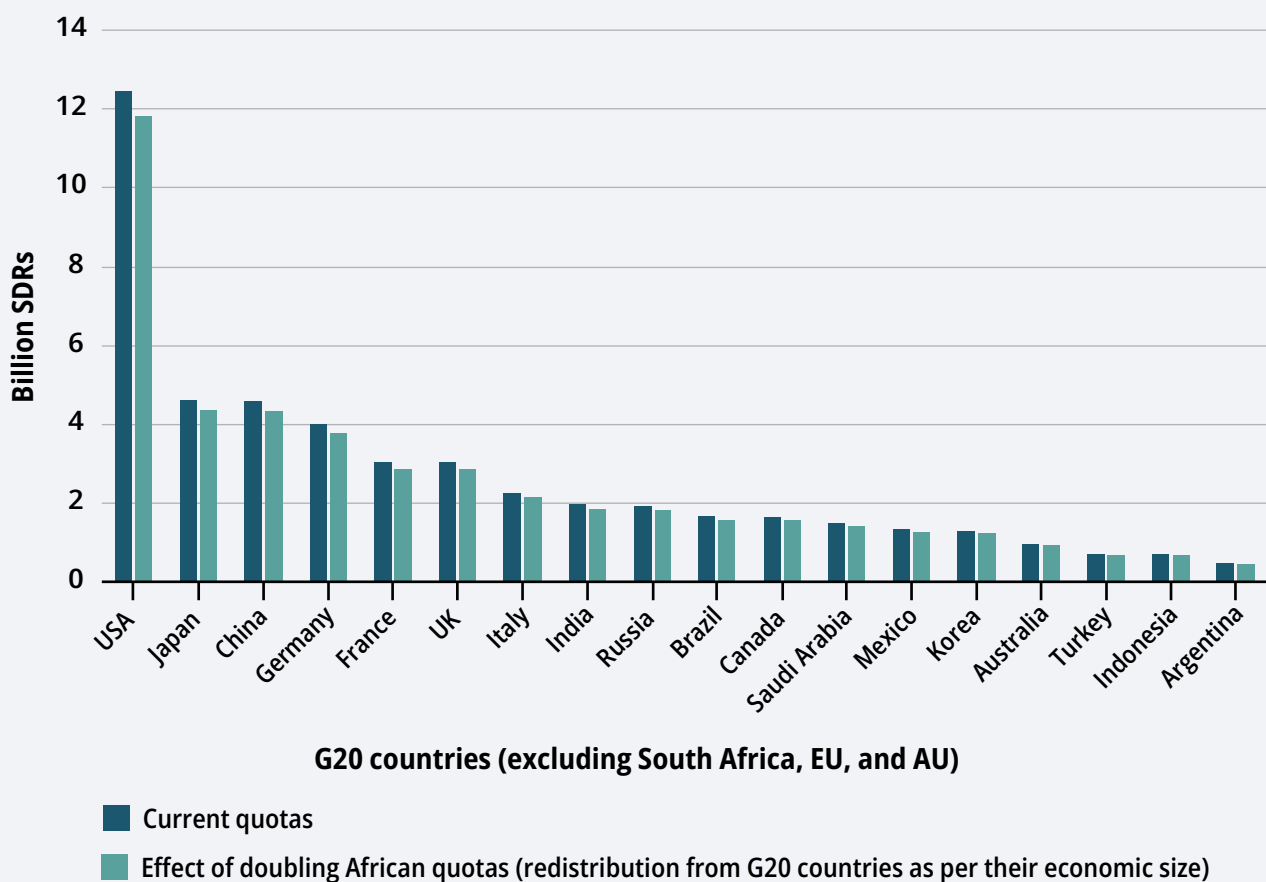


## APPROACH 2B

### Redistribute quotas of G20 members proportionately

Quotas of only G20 members could be redistributed, this time in accordance with their existing quota proportions, meaning that countries that are more overrepresented would reallocate more quotas. The US' quota share would decrease from 17.4 percent to 16.5 percent; Japan's from 6.5 percent to 6.1 percent; China's from 6.4 percent to 6.05 percent; Germany's from 5.6 percent to 5.3 percent; Russia's from 2.7 percent to 2.6 percent; and Brazil's from 2.3 percent to 2.2 percent. Relatively smaller G20 economies such as Argentina, Indonesia, and Turkey would also see a smaller decrease. (Figure 5).

**Figure 5. Effect of redistributing quotas from G20 countries as per their economic sizes, in order to double Africa's share**

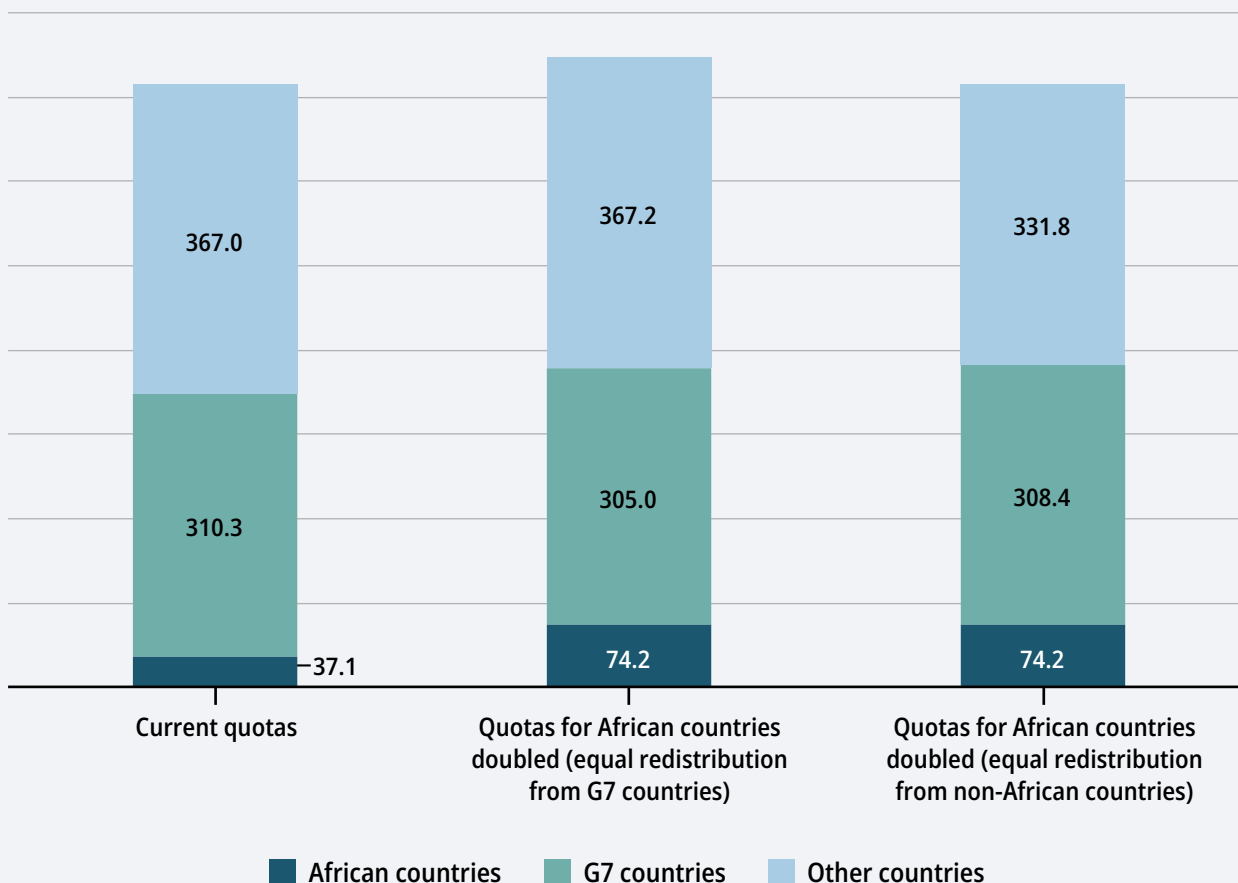


## APPROACH 3A

### Equally redistribute quotas of only G7 members

Quotas of only G7 member states could also be equally redistributed to African countries. Consequently, the quotas for G7 countries would decrease by a combined 11.96 percent, with each country's quota diminishing by SDR 5.3 billion (Figure 6). This approach would be a viable option for two main reasons. First, the G7 comprises some of the world's largest economies which translates into a disproportionately large share of IMF quotas (a combined 43 percent of quotas). As such, these countries would have to give up a small share of their quotas to increase Africa's share, making the adjustment less painful. In addition, the G7 has fewer members relative to the G20, making it easier to discuss and coordinate this change.

**Figure 6. Impact of an equal redistribution of G7 quotas to Africa**



## APPROACH 3B

### Redistribute quotas of G7 members proportionately

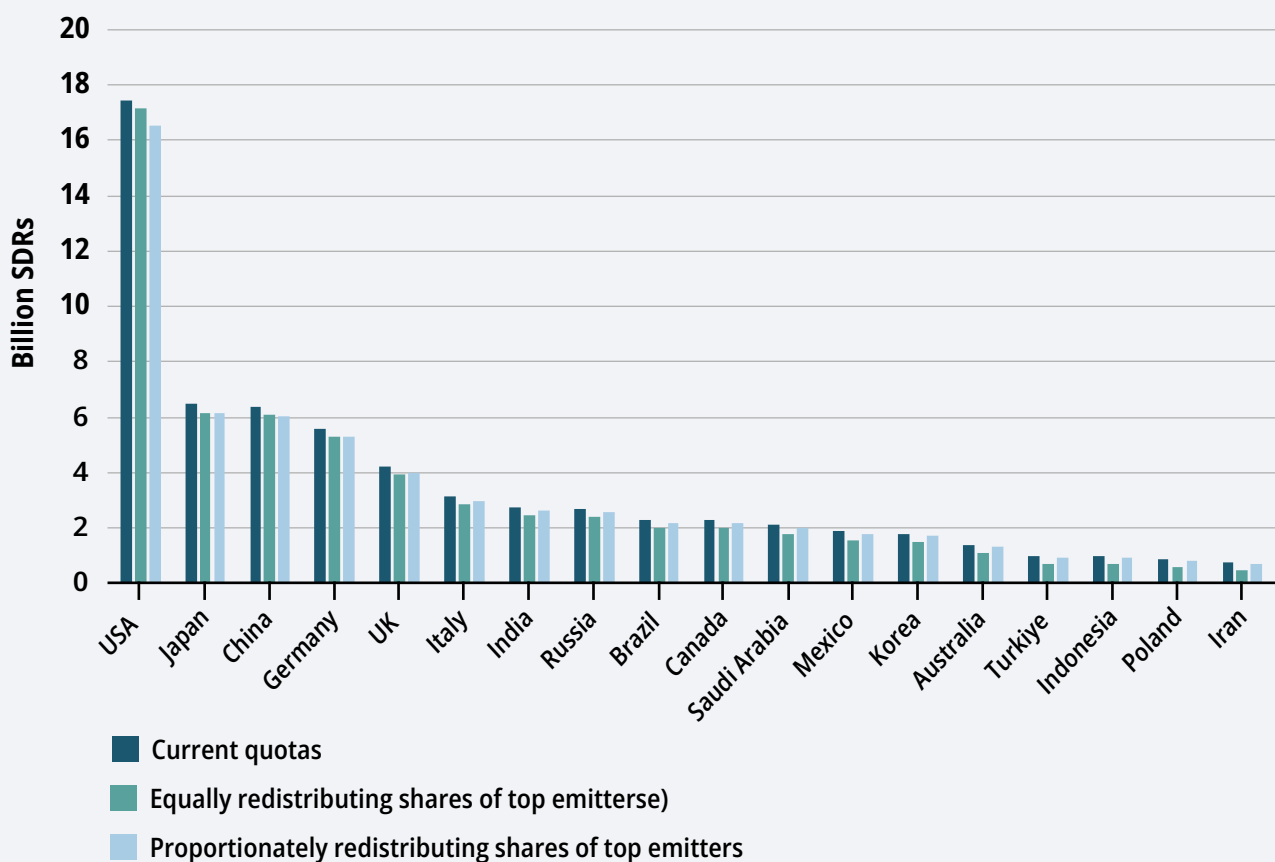
Quotas of G7 members could also be redistributed in accordance with their existing quota proportions, i.e., more over-represented G7 countries would reallocate more quota shares. The US' quota share would decrease from 17.4 percent to 15.34 percent; Japan's from 6.5 percent to 5.7 percent; Germany's from 5.6 percent to 4.92 percent; Canada's from 2.31 percent to 2.04 percent; while France and the UK's quota shares would each decrease from 4.2 percent to 4 percent.

## APPROACH 4

### Equally redistribute quotas of the largest carbon emitters

Quotas of only the largest emitters of CO<sub>2</sub> could be redistributed equally. In this scenario, China's quota share would decrease from 16.4 percent to 16.1 percent; the US' share would decrease from 17.4 percent to 17.1 percent; Japan's from 6.5 percent to 6.2 percent; Germany's from 5.6 percent to 5.3 percent; the UK's from 4.2 percent to 3.9 percent; and Brazil's from 2.3 percent to 2 percent. Meanwhile, relatively smaller economies such as Saudi Arabia, Mexico, and Indonesia would also see a decrease, but to a lesser extent (Figure 7).

**Figure 7. Impact of an equal redistribution of quotas of the largest emitters**



This could be a viable approach for two main reasons. First, the largest emitters also tend to be the largest economies in the world, which implies that they hold a large proportion of IMF quotas (64.1 percent altogether). As such, these countries would experience only a negligible reduction in quotas to increase Africa's share. Secondly, large emitters have produced negative externalities globally in terms of climate change, which has disproportionately affected African countries both economically and otherwise. Therefore, a political, economic, and moral case can be made that quota redistribution from the largest emitters can act as a kind of loss and adaptation compensation, or as reparations for African countries. However, such an approach would have to be dynamic to account for the reductions in emissions. For instance, if Country X reduces its emissions, this should result in a proportionate decrease in their penalty for emission.

## Impact on African countries

### SCENARIO 1

#### Equally redistribute the extra shares across all African IMF members

The extra SDR 37 billion could be redistributed equally amongst African members of the IMF. Each African country would get an extra SDR 687 million. Whereas all countries would experience a significant increase in their quotas, the increase would be uneven. Fifteen countries would see their quotas and, by extension, their quota shares increase by less than twice their original values. Countries with the largest quotas, in particular, would be most affected, with South Africa, Nigeria, Egypt, Algeria, Libya, and the DR Congo experiencing a quota increase of less than 50 percent.

### SCENARIO 2

#### Doubling the quota of each African country

The extra SDR 37 billion could be redistributed by simply doubling the quota of each African country. In this scenario, African countries with larger quota shares would be favored as they would experience the largest quota increases in absolute terms. However, this would be the most equitable scenario because the quota and quota share of each country would double.

## Impact on Africa's relationship with the IMF

Doubling Africa's quota share would impact African countries' relationships with the IMF significantly. Four impacts are explored: IMF subscription, access to IMF resources, voting power, and SDR allocation.

### IMF subscription

Given that the capital subscriptions of IMF members are equal to their quotas, doubling Africa's quota share would increase the obligations of African countries to the IMF. The level of increase in capital subscription for each African country would depend on the scenario under which the extra quotas are distributed among African countries.

Under Scenario 1, where the extra shares are equally redistributed amongst all African countries, each country's obligation would increase by SDR 687.8 million. This scenario would place an outsized burden on countries with smaller economies. For instance, Sao Tome—which has the lowest quota among African IMF members—would see its quota, and therefore its obligation to the IMF, increase from SDR 22.2 million to SDR 710 million, which is greater than its GDP of approximately SDR 400 million.

Under Scenario 2, where the shares of all African countries are doubled, each country would see its obligations to the IMF double. Countries with larger quota shares would experience the largest increase in their quotas and therefore a corresponding increase in their obligations to the IMF. However, in principle, the increase would be in proportion to each country's capacity to meet its obligations to the IMF. This would be the most optimal scenario.

## Access to IMF resources

Doubling Africa's total quota would double both the annual and cumulative overall access limits for all African countries and for each African country.<sup>14</sup> This would depend on the ways in which shares are redistributed to double Africa's share. Currently, the IMF access limits are capped at 200 percent of the quota value for annual access and 600 percent of quota value for cumulative access. For instance, Algeria with a quota of approximately SDR 2.9 billion has an annual access limit of SDR 5.8 billion and a cumulative access limit of SDR 17.4 billion. Algeria's annual access limit would increase from SDR 5.8 billion to SDR 8.8 billion under Scenario 1, to SDR 11.5 billion under Scenario 2, and to SDR 17.3 billion under Scenario 3. Meanwhile, Algeria's cumulative access limit would increase to SDR 38.5 billion under Scenario 1, SDR 50 billion under Scenario 2, and SDR 75.2 billion under Scenario 3.

IMF access limits	Scenario 1	Scenario 2	Scenario 3
Annual access	52 percent increase (+ SDR 29.2 billion)	98.9 percent increase (+ SDR 53.2 billion)	198.2 percent increase (+ SDR 106.1 billion)
Cumulative access	121 percent increase (+ SDR 196 billion)	188 percent increase (+ SDR 304.8 billion)	332 percent increase (+ SDR 537.7 billion)

## Voting power

In practice, the IMF Executive Board usually takes decisions based on consensus. On rare occasions, a formal vote is taken. When a vote is taken, a decision will require majority votes. In some cases, such as decisions requiring amendment of the IMF Articles of Agreement, a higher majority of more than 70 percent or 85 percent will be required. Doubling Africa's quota share would also significantly increase Africa's voting power in the IMF. Currently, African countries account for a combined 5.7 percent of total IMF votes. Doubling quotas for Africa would significantly increase Africa's voting share to a meaningful proportion. The only exception would be if the doubling results from a general quota increase for all IMF members.

IMF voting power	Scenario 1	Scenario 2	Scenario 3
Total votes	45 percent increase (+ SDR 29.2 billion)	90 percent increase (+ SDR 53.2 billion)	180 percent increase (+ SDR 106.1 billion)
Voting share	0.15 percentage point decrease	4 percentage point increase	5 percentage point increase

## SDR allocation

Doubling Africa's quota share would also significantly increase Africa's share of the IMF's SDR allocations. At present, Africa accounts for just 5.2 percent of total SDR allocations.

SDR Allocation	Scenario 1	Scenario 2	Scenario 3
Total SDR allocation	50 percent (+ SDR 18.6 billion)	100 percent increase (+ SDR 37.1 billion)	200 percent increase (+ SDR 74.3 billion)
SDR share	Constant at 5.2 percent	Increases from 5.2 percent to 9.4 percent	Doubles from 5.2 percent to 9.4 percent



# Adjusting the IMF quota formula to meet Africa's needs

Despite periodic reviews, the current IMF quota formula perpetuates imbalances, favoring high-income countries at the expense of low- and middle-income countries, especially African countries. For instance, the IMF's 14th General Review of Quotas, completed in 2010 and implemented in 2016, aimed to enhance the decision-making power of emerging market economies as well as their access to IMF resources.<sup>15</sup> This was achieved by roughly doubling all quotas of IMF member states and making changes to the quota formula to transfer six percent quota shares from what were perceived as “overrepresented” members to those underrepresented—to reflect changes in the global economy.

In contrast, the 15th General Review of Quotas, concluded in 2020, did not involve any changes to quotas but provided guidance for the recently concluded 16th Review.<sup>16</sup> In the most recent review, concluded in December 2023, no changes were made to the quota formula and therefore distribution, but the IMF did agree that all quotas of member countries should increase proportionally by 50 percent.<sup>17</sup>

The persistent inequity in the Africa region's allocation since the IMF's inception raises concerns about the fairness of the existing quota system. Thus, there is an urgent need to rectify the deficiencies in the IMF quota formula to break the cycle where African countries, locked into seeking limited resources, struggle to build resilience against economic shocks.

To this end, this study recommends a reallocation of shares from non-African members to African countries under the different scenarios explored above, particularly Scenario 2b. Recognizing that reallocation is complicated due to the current configuration of the IMF quota formula, this study also recommends a recalibration of the formula. Based on this study's analysis, reforming the deficient quota formula, rather than a simple increase, emerges as the best solution.

Recalibration of the *variability* variable in the quota formula represents an opportunity to rebalance the distribution of IMF quotas in favor of low- and middle-income countries, especially African countries. While this variable was originally specified to capture members' potential need for IMF resources, in its current form, advanced economies capture 60 percent of the variable which translates to nine percentage points in the quota formula.<sup>18</sup> However, the IMF's 15th General Review of Quotas found no significant relationship between “variability” and member-states actual or potential demand for IMF resources.<sup>19</sup> Thus, the variability variable should aim to favor low- and middle-income countries that are significantly more vulnerable to exogenous shocks and balance of payments issues, and as a result, have a greater need for IMF resources.

This study proposes substituting the SDR utilization rate (SUR) for the current specification of variability (current receipts and net capital inflows). SUR could be a better specification of “variability” for two main reasons. First, SUR is a good measure of member countries' potential/ actual need for IMF resources, which the “variability” variable is intended to capture. It is a good measure because it indicates a country's historical utilization of IMF resources via SDRs.<sup>20</sup>

Second, as lower-middle and low-income countries have a higher SUR than their high-income counterparts, using it as a variable would help correct the current disparity in the quota formula which gives rich countries about 60 percent of the “variability” variable. With a greater share of this variable, lower-middle and low-income countries would have a greater share of the IMF quota, and therefore greater access to IMF resources as well as greater say in IMF decision making via an increase in the vote share.

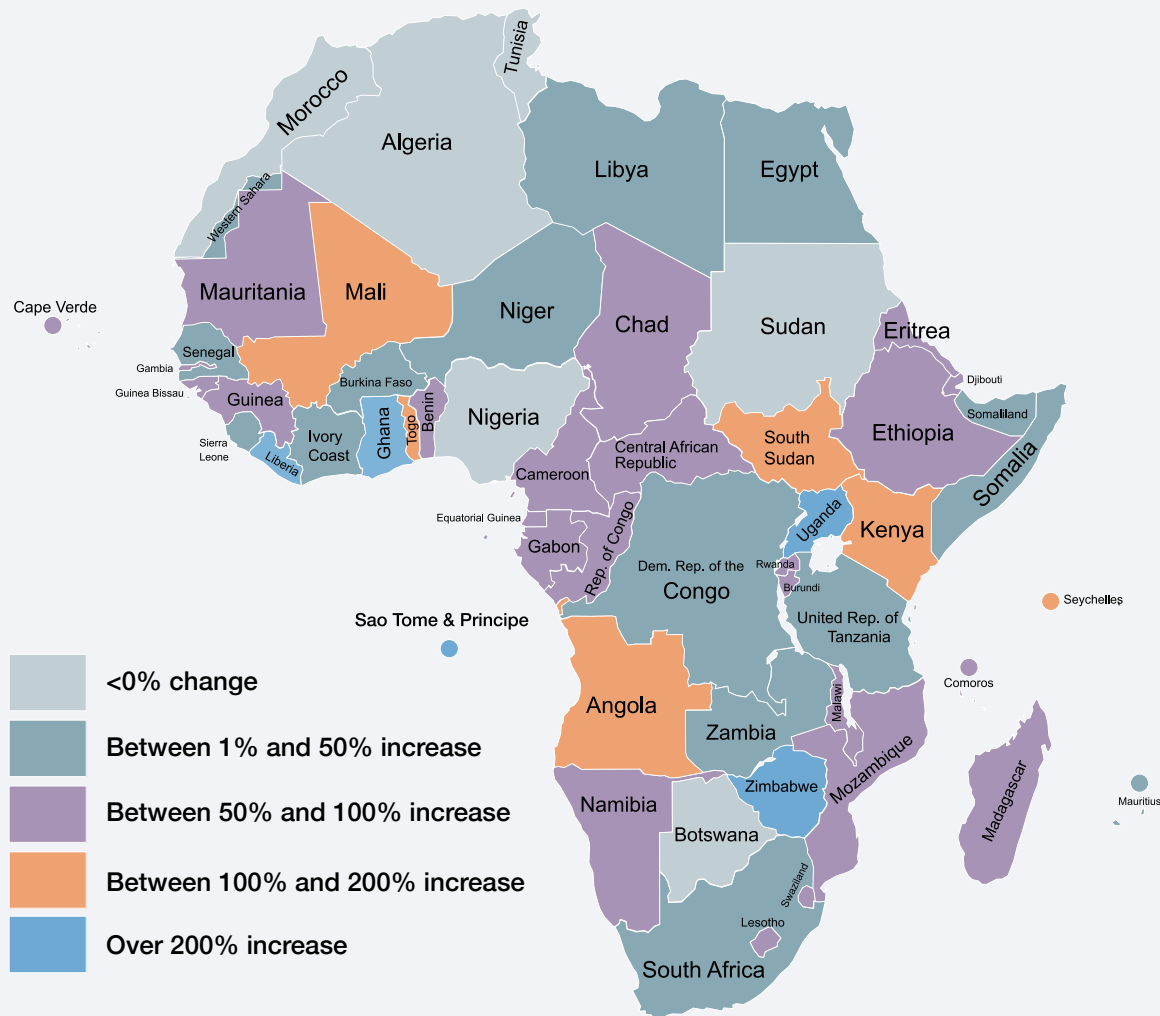
Currently, African countries account for just 5.2 percent of the “variability” variable. Specifying the “variability” variable using the SDR utilization rate in the quota formula would increase Africa’s share of the variability variable to 39.7 percent. Consequently, African countries would gain a combined increase of SDR 37 billion in quotas.<sup>21</sup> This represents a 99.6 percent increase in Africa’s combined quota share from 5.2 percent to 10.4 percent or SDR 37.1 billion to SDR 74.1 billion. Forty-eight African countries would experience an increase in their quota shares (Figure 8). Only 6 African countries would experience a decline in their quota shares: Botswana (3.5 percent), Nigeria (6.7 percent), Morocco (8.68 percent), Sudan (9.5 percent), Algeria (12.68 percent), and Tunisia (13.3 percent). Of these countries, only Nigeria and Tunisia have significant SDR utilization rates at 20.2 percent and 95.5 percent, respectively.<sup>22</sup>

The other four countries have very low or negative SDR utilization rates: Sudan (3.5 percent), Botswana (-2.3 percent), Algeria (-4.6 percent), and Morocco (-5.7 percent). These countries don’t use their SDRs, so instead of their SDRs reducing, they just keep accumulating interest and growing, leading to a negative utilization rate. Botswana has never turned to the IMF for help; Algeria has accessed the IMF just four times for a total of \$1.9 billion; Sudan has turned to the IMF a total of 11 times for a cumulative volume of \$1.6 billion. Morocco is the only exception, having turned to the IMF a total of 22 times for a volume of \$3.6 billion.

Thirty-five countries would experience an increase of 50 percent or more in their quota shares while 29 countries would experience a doubling of their quota shares because of this modification of the formula. The biggest gainers (over 1000 percent increase in quota shares) would be Sao Tome (6581 percent), Cabo Verde (4221.7 percent), Djibouti (2844.1 percent), Eritrea (2613.41 percent), Comoros (1517.8 percent), Guinea-Bissau (1179.81 percent), and Eswatini (1164.3 percent).

Meanwhile, because of this change to the quota formula, the top five countries with the largest quota shares would experience a reduction in their quotas. The US’ quota share would reduce by 2.6 percentage points, from 17.4 percent to 14.8 percent, implying a loss of its veto power over major decisions that require an 85 percent majority vote, such as amendments of Articles of Agreement. Japan’s share would reduce by 0.96 percentage points, from 6.5 percent to 5.51 percent; China’s by 0.94 percentage points, from 6.4 percent to 5.46 percent; Germany’s by 0.82 percentage points, from 5.59 percent to 4.77 percent; France’s by 0.62 percentage points, from 4.23 percent to 3.61 percent, and the United Kingdom’s by 0.63 percentage points, from 4.23 percent to 3.61 percent.

Figure 8. Impact of substitution with SDR utilization rate on the quotas of African countries



Member	% Change	Member	% Change	Member	% Change
Algeria	12.68	Ethiopia	319.81	Nigeria	6.70
Angola	56.66	Gabon	284.17	Rwanda	453.88
Benin	217.91	Gambia, The	659.59	Sao Tome & Principe	6581.35
Botswana	3.54	Ghana	121.34	Senegal	33.65
Burkina Faso	42.75	Guinea	419.42	Seychelles	70.01
Burundi	635.94	Guinea-Bissau	1179.81	Sierra Leone	17.12
Cabo Verde	4221.67	Kenya	97.67	Somalia	7.64
Cameroon	338.28	Lesotho	239.47	South Africa	18.17
Central African Republic	821.72	Liberia	126.71	South Sudan	66.60
Chad	693.02	Libya	1.55	Sudan	9.50
Comoros	1517.82	Madagascar	376.81	Tanzania	45.79
Congo, Democratic Republic of	40.65	Malawi	707.95	Togo	77.87
Congo, Republic of	582.41	Mali	56.99	Tunisia	13.30
Cote d'Ivoire	4.34	Mauritania	763.05	Uganda	186.83
Djibouti	2844.05	Mauritius	5.70	Zambia	22.19
Egypt	34.55	Morocco	8.68	Zimbabwe	127.86
Equatorial Guinea	542.73	Mozambique	428.87		
Eritrea	2613.41	Namibia	218.76		
Eswatini, The Kingdom of	1164.30	Niger	31.35		

## Impact of formula change on Africa's relationship with the IMF

As with the aforementioned quota redistribution, changing the IMF quota by substitution with the SDR utilization rate in the variability variable would significantly alter Africa's relationship with the IMF with regard to the four core functions of quotas. This change would be akin to doubling Africa's share of IMF quotas as it increases Africa's combined quota by 99.6 percent, from 5.2 percent to 10.4 percent. Therefore, the analysis of the impact of doubling Africa's quota on individual African countries is applicable here as well and therefore will not be discussed in further detail. The discussion will be limited to the sticky points presented by this change in the quota formula for African countries.

In addition to the possibility of lower quotas for some African members, this adjustment would also increase the level of IMF contribution for relatively small African economies in a way that might overstretch their capacity given their economic sizes. For instance, Sao Tome and Principe, which has the smallest quota among African IMF members, would experience a quota increase of 6581 percent which would bring its obligations to the IMF to SDR 1.4 billion, well above the size of its GDP. Djibouti's quota would increase by almost 3000 percent to SDR 1.4 billion, approximately 50 percent of its GDP. One way of addressing this situation is to take Africa's share of the variability variable (now specified as SDR utilization rate) as a lump sum (which is about 26 percent) and distribute it in the most optimal way amongst African countries. The governance of the utilization of SDRs as the variability variable would have to be determined by the Board.

Of the two scenarios reviewed earlier for redistributing quotas from non-African members of the IMF, the second scenario of doubling quotas for each African country emerges as the most optimal distribution (as opposed to an equal increase in the number of quotas) because it doubles each country's quota without significantly increasing the level of obligation to the IMF.



# Diagnosis of the issue – World Bank voting shares

The World Bank is a multilateral institution that was founded as an international financial institution in the immediate aftermath of World War II with the aim of transferring investment capital from rich to poor countries that faced high borrowing costs in private markets. From 44 original members in 1944, the Bank has grown to 189 members today.

At the apex of the Bank's governance structure is the Board of Governors, which is the highest decision-making body, with countries generally represented by their ministers of finance. Below this is the Board of Executive Directors, which oversees the Bank's day-to-day operations, including reviewing and approving loan and credit packages and approving policy. The Board of Executive Directors reports directly to the Board of Governors and is chaired by the President of the Bank. The Board of Governors delegates all powers to Executive Directors with the following exceptions:

- Admitting and suspending members
- Increasing or decreasing the authorized capital stock
- Determining the distribution of the net income of the Bank
- Deciding appeals from interpretations of the Articles of Agreement by the Executive Directors
- Making formal comprehensive arrangements to cooperate with other international organizations
- Permanently suspending the operations of the Bank
- Increasing the number of elected Executive Directors
- Approving amendments to the Articles of Agreement

## Voting power

Given the importance of the financial backing of wealthier countries at its founding, the governance and decision-making structures of the Bank were set up to reflect each member's relative economic strength. As such, the Bank today stands as a creditor-led institution unlike the major regional development banks that were created in its image but adopted a borrower-led model.

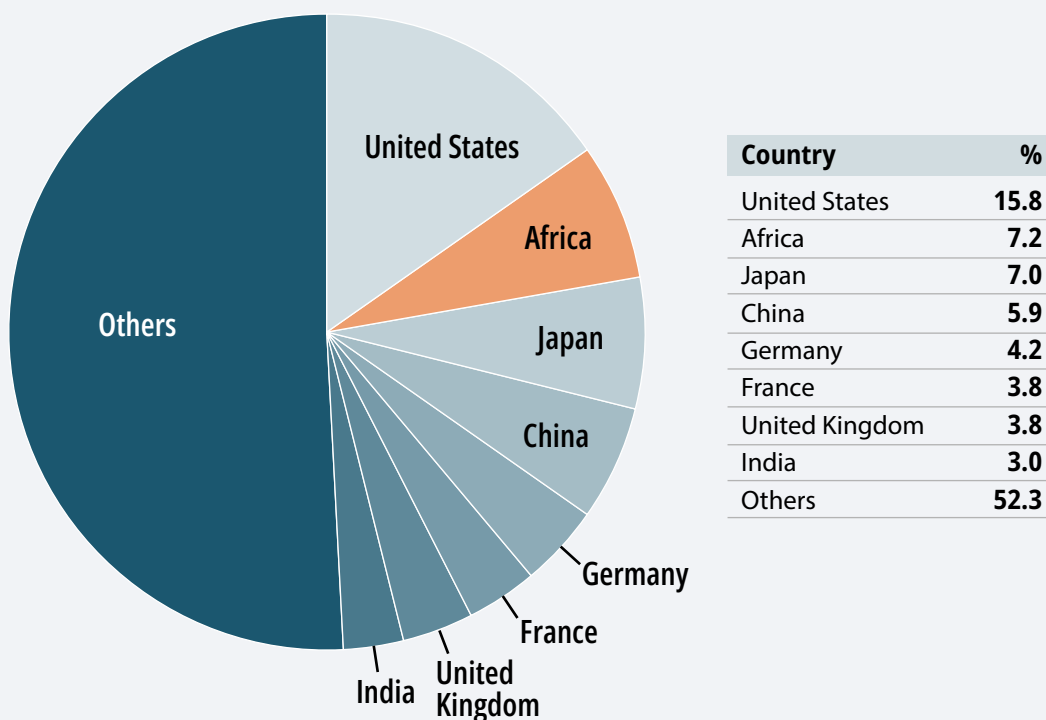
Decisions among the Boards of Governors and Executive Directors are usually based on consensus with a few critical decisions being put to the vote. In their deliberations, however, Executive Directors are acutely aware of their relative voting power which in turn influences the issues tabled for discussion as well as the decisions taken by the Board. As such, the consensus on the Board often reflects the relative voting power of countries represented by the Executive Directors.

Member countries' voting shares are determined by their capital contributions to the Bank. Votes are allocated through a dual system of basic votes and share votes. Basic votes are distributed equally across all member states and are set to 5.55 percent of the total votes. Share votes are proportional to member states' financial contributions. The Bank's Articles of Agreement grant each member 250 basic votes and one additional vote for each share of the Bank's capital stock they hold.

Most decisions of the Board require a simple majority, with special exceptions<sup>23</sup> like capital increases and amendment of the Agreement Articles. For amendments of articles, approval from the Board of Governors, backing from a minimum of 60 percent of member countries, and a minimum of 85 percent total voting power is required. For capital increases, the special majority vote requires 75 percent of the total voting share.

During voting, each Executive Director's vote carries as much weight as the voting power of the country or countries they represent. There are a total of 25 Executive Directors. The five member states with the largest shareholding in the Bank (as well as the UK, Saudi Arabia, and Russia) each appoint their own Executive Directors, while the remaining 20 Executive Directors are elected by the remaining member countries, which are grouped into constituencies largely based on regional proximity. The sub-Saharan Africa constituency has three Executive Directors. The top countries by voting power are the United States (15.83 percent), Japan (7.02 percent), China (5.86 percent), Germany (4.18 percent), and France (3.83 percent). Meanwhile, all African countries combined hold 7.19 percent of the Bank's voting power.

**Figure 9. Distribution of voting power in the IBRD**



Source: World Bank

Since the United States holds slightly over 15 percent of voting power (15.49 percent, making it the highest share of voting power), it effectively has veto power over amendments that require at least 85 percent approval. Furthermore, all member countries have “pre-emptive rights,” meaning they can maintain their share of voting power by subscribing to a proportionate share of the increase to ensure no country’s voting share can be reduced without its consent.

## The challenge

Like the IMF, the World Bank faces a legitimacy crisis. Founded in the immediate post-war period when a significant number of its current members were still colonial holdings, the Bank’s governance and decision-making structures have not evolved to adapt to important contemporary international norms of democracy and accountability. Whereas the distribution of voting shares has evolved over the years, the dominance of developed countries has remained intact, with high-income countries controlling over 60 percent of the voting shares at the Bank, led by the United States with over 15 percent voting shares and holding de facto veto power<sup>24</sup>. Due to the initial emphasis on members’ capital contributions, the Bank’s governance and decision-making structures continue to favor wealthier members at the expense of developing countries.

Yet, over the years the contribution of developing countries to global GDP has increased but the distribution of power in the Bank has not adjusted sufficiently to reflect this reality, remaining more reflective of past shares than of present conditions. Moreover, developing countries are the Bank’s borrowers and are therefore more directly affected by its policies. For these two reasons, developing countries should have a greater say in the governance and decision-making of the Bank.

In response to these concerns, there have been several attempts to redistribute voting shares in the Bank. However, these reforms have resulted in marginal changes to the power distribution in the Bank. Two such reform efforts were undertaken in 2010 and 2018. The 2010 reforms, also known as the voice reforms, sought to increase representation of developing countries in the Bank through three main changes: (a) a 4.59 percentage-point transfer of voting shares from developed countries to developing and transitional countries (DTCs); (b) adding a third Executive Director for Africa to the Bank’s Board of Executive Directors; and (c) institutionalizing a review of the Bank’s shareholding every five years. Whereas this reform initiative succeeded in increasing the voice of African countries with a third Executive Director for Africa and institutionalized the periodic review of the Bank’s shareholding structure, it did not meaningfully rebalance power distribution within the Bank.

While the transfer of voting power from developed countries to DTCs was successful, its impact was limited by the inclusion in the DTC category of several high-income countries (e.g., Singapore, South Korea, and Poland) that neither qualify as developing countries nor borrow from the Bank. Because of this, whereas there was a nominal increase in the voting share of DTCs from 42.6 percent to 47.19 percent, the actual voting share of low- and middle-income borrower countries rose only modestly (34.67 percent to 38.38 percent). In effect, therefore, the DTC classification diluted the voice of low-income economies despite their increased votes and left high income countries with 60 percent of voting power.

Similarly, the 2018 reform effort, emerging out of the 2015 shareholding review, sought to rebalance the power distribution in the Bank by introducing the “Dynamic Formula” to guide the allocation of voting shares during capital increases. The aim was to reflect member countries evolving economic weight as well as their contribution to the Bank’s poverty-alleviation mission. Yet, the Dynamic Formula, which allocates 80 percent weight to a country’s share of global GDP and 20 percent weight to a country’s contributions to the International Development Association (IDA), preserved (it barely reduced the share of developed countries) control of the Bank by rich countries which dominate both global GDP and contributions to the IDA replenishments.

On all occasions, efforts to reform the Bank have not been fully championed by many of the developed countries (led by the United States), which seek to maintain their control over the Bank’s policy direction as an avenue to shape the direction of the global economy, especially economic policy in developing countries. This has rendered previous reform efforts ineffective. Efforts to rebalance the distribution of voting shares in the Bank are also undermined by the “pre-emptive rights” clause in the Bank’s Articles of Agreement which give countries the right to resist reductions to their voting share by subscribing to a proportionate share of the increase in capital to maintain their share of voting power. As such, no country can have its voting share reduced without its consent.

As the World Bank undertakes the Fourth Review of its shareholding which commenced in January 2025, it is important to note that the proposed changes are in the Bank’s own interest so that it becomes a more legitimate and accountable institution that reflects global economic realities and that can effectively fulfill its mandate amidst an evolving global development landscape. Increasing the voice and power of developing countries in the governance of the Bank would increase the ownership and relevance of Bank policies in these countries.



# Recommendations for reforming the distribution of World Bank voting shares

Achieving more parity between developing and developed countries in the governance of the Bank will require increasing the voting shares of developing countries relative to developed countries. This section explores possible avenues for achieving this objective.

## RECOMMENDATION 1

### Split voting shares 50-50 between borrower and non-borrower countries

This study recommends amending the Bank's Articles of Agreement to balance the voting shares between the two groups at 50 percent each. Moving from a creditor-led to a borrower-led Bank would not jeopardize the standing of the World Bank. Indeed, the experience of the major regional multilateral development banks demonstrates that a borrower-led development bank can still deliver on its mandate.

Regional MDB	Borrower's share of voting power	Non-borrower's share of voting power	Credit rating
African Development Bank	60%	40%	AAA
Asian Development Bank	63.4%	36.6%	AAA
Inter-American Development Bank	50%	50%	AAA
European Bank for Reconstruction and Development	70%	30%	AAA

Parity in voting shares can be achieved by having high-income countries sell off some of their shares to developing countries. With the current ratio of 35 percent:65 percent, developed countries would have to sell off 15 percentage points, or 23 percent of their current voting shares to developing countries. Given that paid-in capital constitutes a small portion of the Bank's total capital, this should not be an onerous cost for developing countries to bear in exchange for greater voice and power in the Bank.

The voting shares between developing and developed countries can also be balanced through a general capital increase (GCI), where developing countries buy the largest portion of the new shares. A GCI is an increase in contributions from all Bank shareholders to enable more lending.<sup>25</sup> A relatively small portion of the increased contributions is actually paid to the Bank by the shareholders. This is referred to as paid-in capital. The rest is referred to as callable capital and acts as a guarantee from shareholders for the Bank's borrowing operations. Multilateral development banks can draw on their callable capital only during emergency situations such

as bankruptcy or an immediate need to repay creditors. The IBRD has never had to draw on its callable capital. As of 2025, IBRD’s historic paid-in capital stood at \$22 billion, just 6.8 percent of its total capital. As others have argued, given the Bank’s current level of capitalization, it should be possible to have a general capital increase without paid-in capital. This would eliminate the cost of acquiring new shares for developing countries.

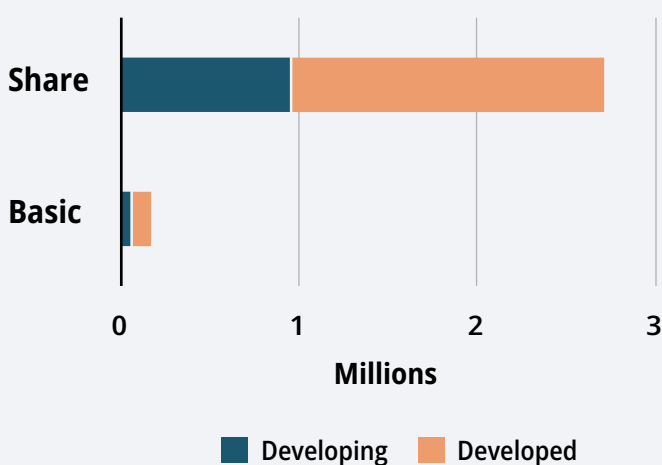
## RECOMMENDATION 2

### Increase both the number of basic votes and the share of basic votes from the current 5.5 percent to 50 percent

Parity could also be achieved by increasing the number of basic votes and the share of basic votes in total votes to 50 percent. When the basic votes were introduced in 1979, they were intended to protect the voting share and decision-making power of developing countries. However, over the years this function has diminished considerably as other types of votes have increased significantly, particularly share votes. Initially, basic votes accounted for 10.78 percent of total votes but they only account for 5.5 percent today.

To restore the role of basic votes in protecting the voting share and power of developing countries, and establish parity between developing and developed countries in the governance of the Bank, the number of basic votes should be increased by 127 percent, while their share of total votes is increased to 50 percent. This would have to be accompanied by a reduction in the relative share of share votes from the current 94.5 percent to 50 percent—a decrease of 47 percent. With this increase in the share of basic votes in the total votes from 5.5 percent to 50 percent, the basic vote share of developing countries would increase from 34 percent to 68 percent. Coupled with the current share vote ratio of 34:68 between developing and developed countries, this change would lead to parity in the voting shares of developing and developed countries. Notably, this change would effectively delink economic weight from decision-making power.

**Figure 10.**  
Current distribution of votes



**Figure 11.**  
Current distribution of voting power

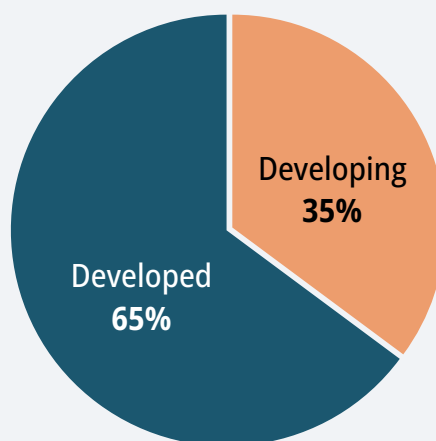
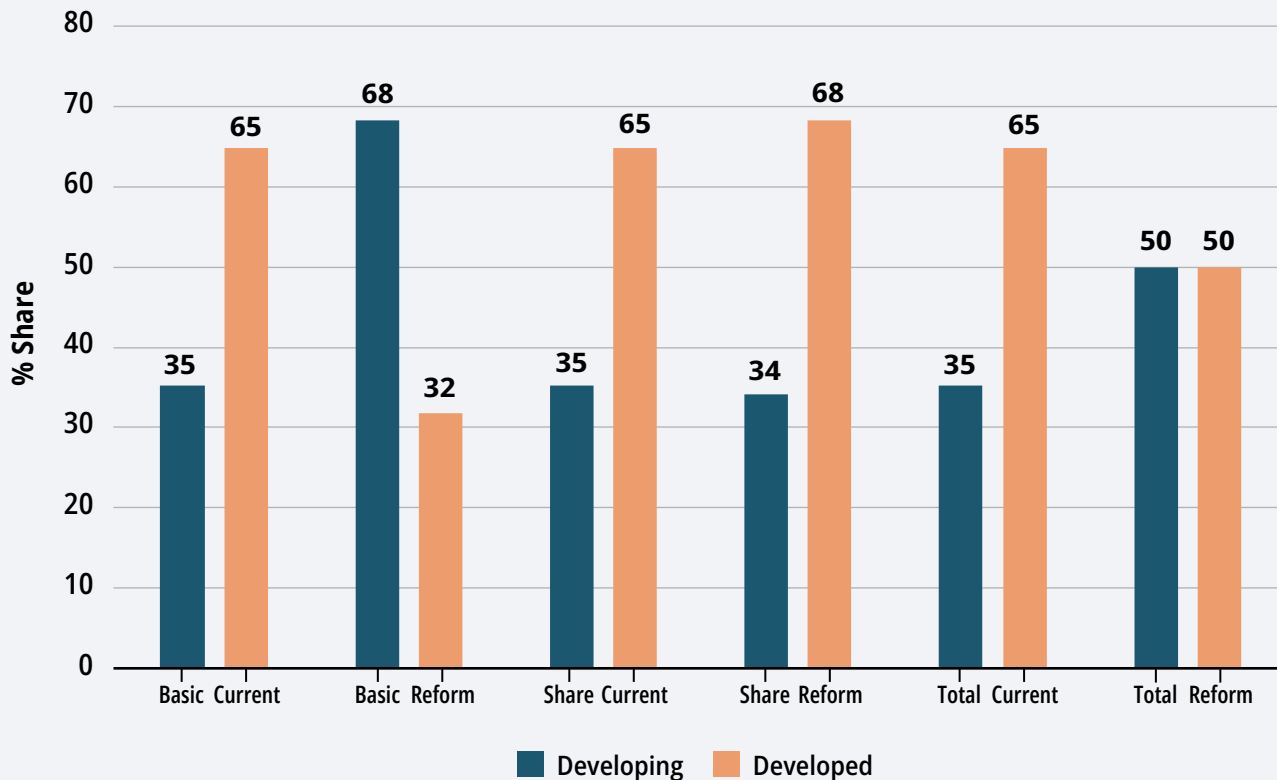


Figure 12. Impact of redistributing voting shares



### RECOMMENDATION 3

#### Introduce double majority voting for decisions that directly affect developing countries

Cognizant of the political complexity of redistributing voting shares, the World Bank Board of Governors should consider introducing double-majority voting as a potentially less politically charged avenue to increase the voice and power of developing countries in the governance of the Bank. Double-majority voting refers to a voting system that requires a majority vote on a decision, according to two separate criteria. In the context of the World Bank, double-majority voting would require a majority vote among both the Board of Governors or the Board of Executive Directors, and the full membership of the Bank. Double majority voting, therefore, is proposed for decisions that directly affect borrower countries, especially operational decisions such as lending levels, loan conditions, and the overall direction of the Bank’s development policies. This approach would promote democracy, ownership, and accountability with respect to the Bank’s decisions in the direction of development policy.



## Conclusion

The IMF and the World Bank, arguably the most important players in the international financial system, have long been criticized for their inability to sufficiently meet the needs of their most vulnerable members, particularly African countries. The IMF quota system is as unequal today as it was in 1944. Low-income countries, particularly African countries, have a very small piece of the quota pie. Currently, AU member states collectively possess only 5.2 percent of the total IMF quotas. Meanwhile, the United States has 17.4 percent of the quotas, giving it veto power over most decisions of the Fund. Germany also has a higher quota share than all African countries combined. The persistent inequity in the Africa region's allocation since the IMF's inception raises concerns about the fairness of the existing quota system.

Like the IMF, the World Bank faces a crisis of legitimacy. Founded in the immediate post-war period when a significant number of its current members were still colonial holdings, the Bank's governance and decision-making structures have not evolved to adapt to important contemporary international norms of democracy and accountability. Whereas the distribution of voting shares has evolved over the years, the dominance of developed countries has remained intact, with high-income countries controlling over 60 percent of the voting shares at the Bank, led by the United States with over 15 percent voting shares and holding de facto veto power. Due to the initial emphasis on members' capital contributions, the Bank's governance and decision-making structures continue to favor wealthier members at the expense of developing countries.

Over the years, the share of developing countries in the global economy has increased but the distribution of power in the Fund and the Bank has not adjusted sufficiently to reflect this reality, remaining more reflective of past shares than of present conditions. Moreover, it is developing countries that interact more frequently with the Bank as its exclusive borrowers and are therefore more directly affected by the policies of the Fund and the Bank. In response to these concerns, there have been several attempts to redistribute power within both the Fund and the Bank. However, these reforms have resulted in marginal changes to the power distribution in both institutions, in large part because there has been little to no desire or enthusiasm for reform on the part of the largest shareholders. As a result, African countries are stuck in a vicious cycle where they consistently need resources from the Fund and the Bank but are limited in what they can receive and at the same time have limited voice to rectify this situation.

The IMF Board of Governors is expected to conclude the 17th General Review of Quotas by June 2025. Meanwhile, the Fourth Review of the World Bank Shareholding by the Board of Governors is underway and is expected to conclude this year. In both cases, it is important to note that the proposed changes are in both organizations' own interest, to enable them to become more legitimate and accountable institutions that reflect global economic realities and that can effectively fulfill their mandates amidst an evolving global economic and development landscape. Increasing the voice and power of developing countries in the governance of the Fund and the Bank would increase the ownership and relevance of Bank policies in these countries.

## ENDNOTES

- 1 The World Bank Group includes the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). IBRD is the key institution of the group, and the focus of this policy brief.
- 2 There are a total of 44 founding members of the IMF.
- 3 ["IMF Quotas,"](#) International Monetary Fund, December 19, 2023.
- 4 Altaian, Oscar L. ["Quotas in the International Monetary Fund,"](#) IMF eLibrary, 1956.
- 5 [SDR-Tracker,](#) International Monetary Fund, February 24, 2022.
- 6 ["Historic Quota and Governance Reforms Become Effective,"](#) International Monetary Fund, January 27, 2016.
- 7 ["IMF Board of Governors Approves a Resolution on Quota Reviews,"](#) International Monetary Fund, February 13, 2020.
- 8 ["IMF Board of Governors Approves Quota Increase under 16th General Review Quotas,"](#) International Monetary Fund, December 18, 2023.
- 9 ["Sixteenth General Review of Quotas-Report to the Board of Governors and Proposed Resolution, and Proposed Decision to Extend the Deadline for a Review of the Borrowing Guidelines,"](#) International Monetary Fund, December 18, 2023.
- 10 Kring, William N. ["Towards a Balanced Quota Reform at the IMF: Global Development Policy Center,"](#) Global Development Policy Center, 2023.
- 11 While this policy brief focuses on African countries, the principle of increasing the quota share could be applied to all low-income countries because they are more likely to draw on their IMF resources.
- 12 This is because some IMF members have quotas that are less than SDR 273.1M (how much each non-African country would have to give up). For example, Tuvalu's quotas would decrease from SDR 3.75M to negative SDR 269.4M; Tonga's would reduce from SDR 20.7M to negative SDR 252.4M and St. Lucia's would reduce from SDR 32.1M to negative SDR 241M. This approach is inadvertently non-progressive due to the possibility of negative quotas, which makes it a non-starter.
- 13 [Third G20 Finance Ministers and Central Bank Governors Meeting communiqué.](#)
- 14 IMF annual access limit refers to the maximum amount of financial resources that a member country can access from the IMF within a given year, as a share of its quota. The cumulative access limit refers to the maximum amount of financial resources that a member country can access from the IMF's General Resources Account over time.
- 15 ["Historic Quota and Governance Reforms Become Effective,"](#) International Monetary Fund, January 27, 2016.
- 16 ["IMF Board of Governors Approves a Resolution on Quota Reviews,"](#) International Monetary Fund, February 13, 2020.
- 17 ["IMF Board of Governors Approves Quota Increase under 16th General Review Quotas,"](#) International Monetary Fund, December 18, 2023.
- 18 De Leon, Ernando S. ["The IMF Quota Formula Review,"](#) International Monetary Fund, 2011.
- 19 ["Fifteenth General Review of Quotas—Further Considerations,"](#) International Monetary Fund, 2021.
- 20 In particular, African countries have a high SDR utilization rate, relative to countries from other regions, accounting for 26 percent of all SDRs utilized since the founding of the IMF. African countries have also turned to the IMF more than the average IMF member country: 12 times versus a global average 10 times. Yet, throughout the IMF's history, the average size of an IMF loan to an African country was just \$200 million, compared to a global average of \$887 million. Moreover, the typical African country has borrowed a total of \$1.5 billion from the IMF, compared to a global average of \$8 billion.
- 21 This resultant SDR 37 billion is coincidentally the same as what is needed to double Africa's quota share.
- 22 Per recent [analysis](#), these two countries have not made much use of IMF resources. Nigeria has turned to the IMF five times for a total of \$2.5 billion and Tunisia has accessed the IMF 11 times for a total of \$3.1 billion.
- 23 Jakob Vestergaard, *Voice Reform in the World Bank* (Copenhagen: Danish Institute for International Studies), pg 9.
- 24 This dominance is encapsulated in the so-called "gentleman's agreement" between the United States and European states, for the Bank President to come from the United States while the IMF Managing Director comes from Europe.
- 25 This happens when shareholders recognize and agree that lending demand is likely to grow in the near future and that the Bank will need additional resources to meet this demand.



Economic Management and Governance

## Reforming the IMF Quota System and World Bank Voting Shares

June 2025



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