

Interim Steps on Quota and Governance Reform—Report of the Executive Board to the Board of Governors

June 11, 2015

1. In light of continuing delays in the implementation of the 2010 quota and governance reforms (hereafter the “2010 Reforms”), the Board of Governors, in February 2015, adopted Resolution No. 70-1, which (i) expressed its deep regret that the quota increases under the Fourteenth General Review of Quotas (hereafter the “Fourteenth Review”) and the Proposed Amendment on the Reform of the Executive Board (hereafter the “Board Reform Amendment”) have not become effective, and that the Fifteenth General Review of Quotas (hereafter the “Fifteenth Review”) has not been completed; (ii) emphasized the importance and urgency of the 2010 Reforms for the Fund’s credibility, legitimacy, and effectiveness, and reiterated its commitment to their earliest possible implementation; (iii) urged the remaining members who have not yet accepted the Fourteenth Review quota increases and the Board Reform Amendment to do so without further delay; (iv) called for the completion of the Fifteenth Review by December 15, 2015; and (v) called on the Executive Board to work expeditiously and to complete its work as soon as possible on interim steps in the key areas covered by the 2010 Reforms, pending their full implementation, and thus to enable the Board of Governors to reach agreement on steps that represent meaningful progress towards the objectives of the 2010 Reforms by June 30, 2015. The Resolution further stressed that such interim steps should not in any way be seen as a substitute for the 2010 Reforms, which remain the highest priority.¹

2. In response, the Executive Board has continued its work on possible interim steps. The Board held a further informal discussion on options for next steps in March 2015, building on its initial discussion in January 2015. The discussion helped clarify views on the various options, and served as background for a joint discussion of the International Monetary and Financial Committee (hereafter the “IMFC”) and G-20 Ministers in Washington DC on April 17, 2015. Mindful of the aims of the 2010 Reforms, the IMFC called on the Executive Board “to pursue an interim solution that will meaningfully converge quota shares as soon as and to the extent possible to the levels agreed under the 14th Review.”²

¹ See Board of Governors’ Resolution No. 70-1 (2/18/2015).

² The *Communiqué of the Thirty-First Meeting of the International Monetary and Financial Committee*, Washington, D.C., April 18, 2015. See also the *Communiqué of G20 Finance Ministers and Central Bank Governors*, Washington, D.C., April 16-17, 2015.

3. While progress has been made, the Executive Board has concluded that more time is needed to build consensus among the membership and complete its work on interim steps. The Executive Board plans to continue its deliberations in line with the recent guidance provided by the IMFC. This guidance also includes a commitment to maintain a strong, well-resourced, and quota-based IMF.

4. The Executive Board reiterates its deep disappointment with the continued delay in the effectiveness of the 2010 Reforms. Recognizing the importance of these reforms for the credibility, legitimacy, and effectiveness of the IMF, the Executive Board urges the United States to ratify the 2010 Reforms as soon as possible. If the 2010 Reforms are not ratified by September 15, 2015, the Executive Board will consider prior to end-September 2015 which interim solution to pursue and will, building on its ongoing discussions, complete its work on steps that represent meaningful progress towards the objectives of the 2010 Reforms as early as possible and no later than mid-December 2015.

5. In addition, the Executive Board will continue to follow the guidance and directions provided by the IMFC and the Board of Governors on all other quota and governance-related matters.