



INTERNATIONAL MONETARY FUND IMF

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The **Bretton Woods Conference**, formally known as the **United Nations Monetary and Financial Conference**, was the gathering of 730 delegates from all **44 allied nations** at the Mount Washington Hotel, in Bretton Woods, **New Hampshire, United States**, to regulate the international monetary and financial order after the conclusion of World War II.

The conference was held from **July 1 to 22, 1944**. Agreements were signed that, after legislative ratification by member governments, established the **International Bank for Reconstruction and Development (IBRD)**, later it became part of **World Bank group** and the **International Monetary Fund (IMF)**.



THE IMF

The IMF is a global organization that works to achieve sustainable growth and prosperity for all of its **190 member countries**.

It does so by supporting economic policies that promote **financial stability** and monetary cooperation, which are essential to increase productivity, job creation, and economic well-being.

The IMF is **governed by** and **accountable to** its member countries.



The IMF by the numbers

190

The IMF is governed by and accountable to 190 countries that make up its near-global membership.

44

The IMF was founded by 44 member countries that sought to build a framework for economic cooperation.

1944

The IMF was established in 1944 in the aftermath of the Great Depression of the 1930s.

1 trillion

The IMF is able to lend about \$1 trillion to its member countries.

What does the IMF do?

The IMF fosters international financial stability by offering:



POLICY ADVICE

Monitoring economic and financial developments and advising countries.



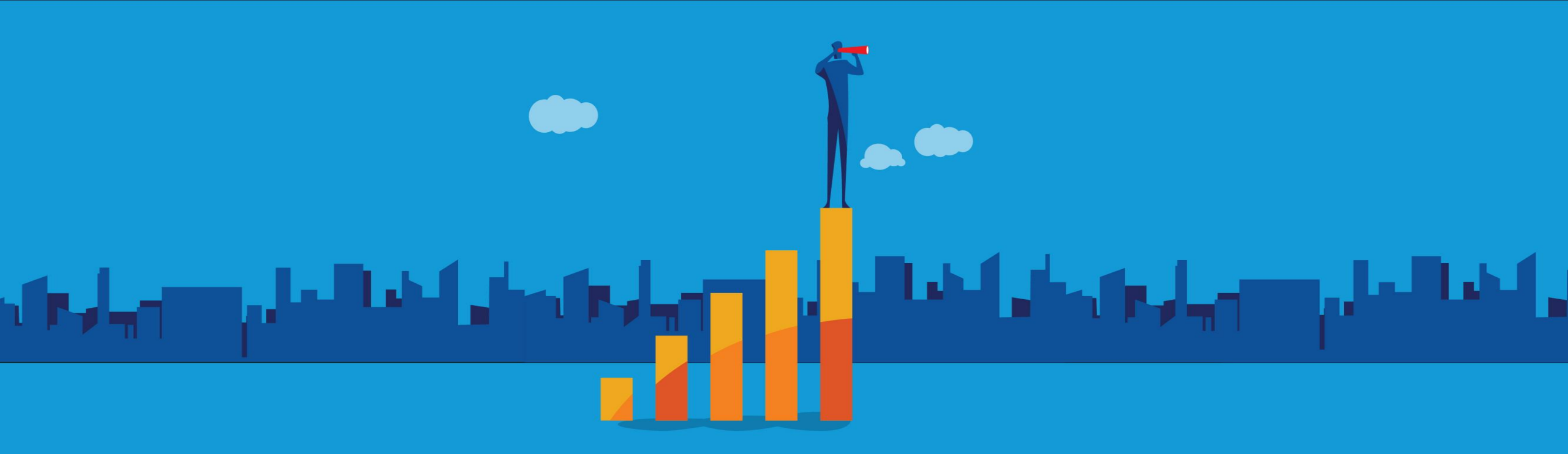
FINANCIAL ASSISTANCE

Loans and other financial aid to member countries.



CAPACITY DEVELOPMENT

Technical assistance and training to help governments to implement sound economic policies.



How does the IMF give policy advice?

A core responsibility of the IMF is monitoring the economic and financial policies of member countries and providing them with policy advice, an activity known as *surveillance*. As part of this process, which also takes place at the global and regional levels, the IMF identifies potential risks and recommends appropriate policy adjustments to sustain economic growth and promote financial stability.



What kind of financial assistance does the IMF offer?

Unlike development banks, the IMF does not lend for specific projects. Instead, the **IMF provides financial support to countries hit by crises to create breathing room** as they implement policies that restore economic stability and growth.

It also provides precautionary financing to help prevent crises. IMF lending is continuously refined to meet countries' changing needs.



What is capacity development?

- The IMF provides technical assistance and training – known as capacity development as one of its core functions.
- Capacity development accounts for around **a third of the IMF's annual spending**.
- It is available to all members upon their request and is tailored to a country's specific needs.
- Capacity development can help countries to **improve tax collection and bolster public finances**. It can help countries to **modernize their monetary and exchange rate policies, develop legal systems, or strengthen governance**.

HOW IS THE IMF ORGANIZED



At the top of its organizational structure is the Board of Governors, consisting of **one governor** (usually the minister of finance or the governor of the central bank) and **one alternate governor** from each member country.

All powers of the IMF are vested in the Board of Governors. **The day-to-day work of the IMF is overseen by its 24-member Executive Board**, which represents the entire membership and is supported by IMF staff. **The Managing Director** is the head of the IMF staff and Chair of the Executive Board and is assisted by **four Deputy Managing Directors**.

The IMF has 18 departments that carry out its policy, analytical, and technical work.

WHERE THE IMF GETS ITS MONEY

The IMF's resources mainly come from the money that countries pay as their **capital subscription (quotas)** when they become members.

Each member of the IMF is assigned a quota, based broadly on its relative position in the world economy.

Countries can then borrow from this pool when they fall into financial difficulty.



IMF Members' Quotas and Voting Power, and IMF Board of Governors

Last Updated: February 29, 2024

The Board of Governors, the highest decision-making body of the IMF, consists of one governor and one alternate governor for each member country.

The governor is appointed by the member country and is usually the minister of finance or the governor of the central bank.

All powers of the IMF are vested in the Board of Governors.

The Board of Governors **normally meets once a year**.

The table below shows quota and voting shares for IMF members. Following the entry into force of the Board Reform Amendment on January 26, 2016, members who have consented to their quota increases can pay their quota increases under the 14th General Review of Quotas. **Quota and voting shares will change as members pay their quota increases. During this process, this table will be updated regularly.**

MEMBER	MILLIONS OF SDRS (QUOTA)	PERCENT OF TOTAL QUOTA	GOVERNOR <i>ALTERNATE</i>	PERCENT OF TOTAL VOTES
Australia	6,572.4	1.38	Jim Chalmers, M.P. & <i>Steven Kennedy</i>	1.33
Brazil	11,042	2.32	Fernando Haddad & <i>Roberto Neto</i>	2.22
Canada	11,023.9	2.31	Chrystia Freeland & <i>Tiff Macklem</i>	2.22
China	30,482.9	6.40	Gongsheng Pan & <i>Changneng Xuan</i>	6.08
France	20,155.1	4.23	Bruno Le Maire & <i>François Galhau</i>	4.03
India	13,114.4	2.75	Nirmala Sitharaman & <i>Shaktikanta Das</i>	2.63
Japan	30,820.5	6.47	Shunichi Suzuki& <i>Kazuo Ueda</i>	6.14
Russian Federation	12,903.7	2.71	Anton Siluanov & Elvira S. Nabiullina	2.59
Saudi Arabia	9,992.6	2.10	Mohammed Aljadaan & Ayman Alsayari	2.01
United States	82,994.2	17.43	Jay Shambaugh & Vacant	16.50
United Kingdom	20,155.1	4.23	Jeremy Hunt MP & Andrew Bailey	4.03



Special Drawing Rights (SDR)

- ☐ The SDR is an international reserve asset. The SDR is not a currency, but its value is based on a basket of five currencies—the US dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling.
- ☐ The SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries' official reserves.
- ☐ To date, a total of SDR 660.7 billion (equivalent to about US\$943 billion) have been allocated.

WHO CAN HOLD SDRS ?

- Individuals and private entities cannot hold SDRs.
- IMF members – and the IMF itself – hold SDRs and
- The IMF has the authority to approve other holders, such as central banks and multilateral development banks, while individuals and private entities cannot hold SDRs.
- As of February 2023, there were 20 organizations approved as prescribed holders. Participating members and prescribed holders can buy and sell SDRs.



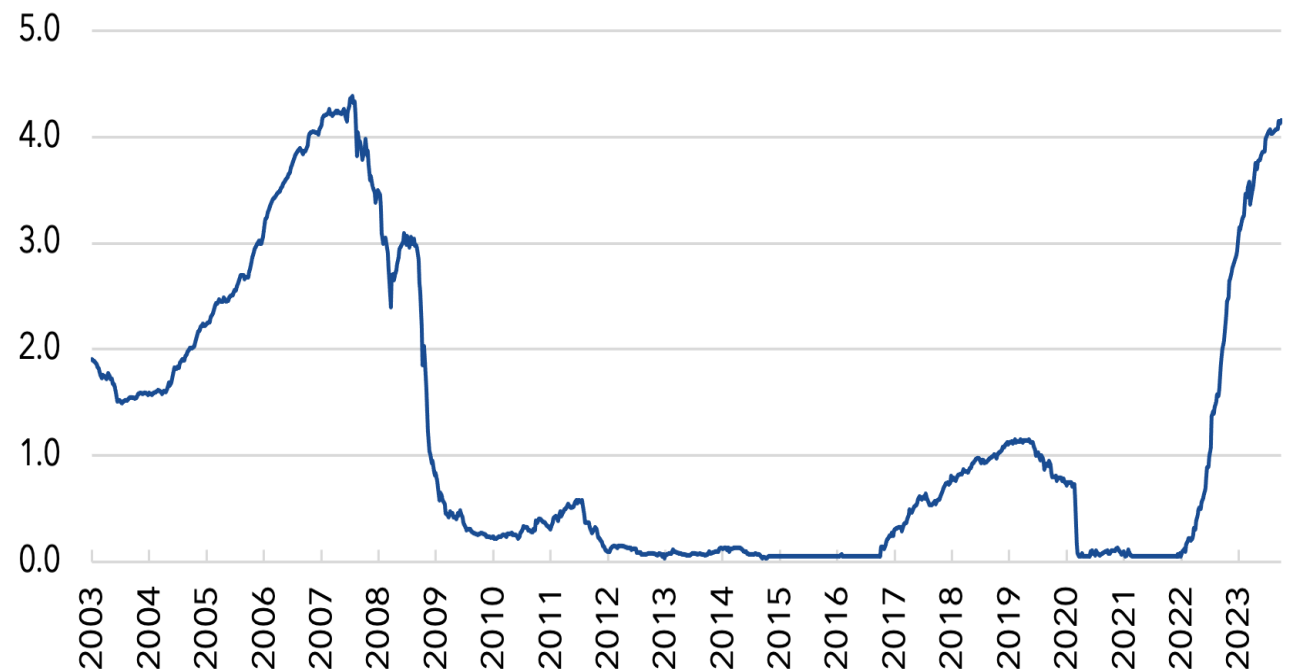
Does the IMF charge interest?

The SDR interest rate or **SDRi** provides the basis for calculating the interest rate charged and paid to members, including on regular borrowing from the IMF and on SDR Holdings.

It is determined weekly based on a **weighted average of interest rates on three-month debt in the money markets** of the SDR basket currencies.

Interest rate on SDR, 2003-October 2, 2023

(percent a year)



Source: IMF Finance Department.

WHAT KIND OF RESEARCH DOES THE IMF DO?

- Economic research is a core activity at the IMF and is dedicated to fostering a deeper understanding of the global economy by analyzing economic trends, challenges, and their implications for both individual countries and the international community. IMF research covers a broad spectrum of macroeconomic and financial issues, including
- Exchange rates,
- Fiscal policy,
- Monetary policy, and
- Global financial stability.



The IMF in History

1940s

Out of
the Ashes

1960s

Decolonization
of Africa

1980s

International
Debt Crisis

2000s

Debt Forgiveness,
Global Financial Crisis

2020s

A Crisis
Like No Other

1950s

Cold War: Communist
Nations Withdraw from the
Global Economic System

1970s

Vietnam War
and Oil Shocks

1990s

Collapse of Communism,
Debt Relief

2010s

A Halting Recovery



Thank You!

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