DEVELOPMENT COMMITTEE
(Joint Ministerial Committee
of the
Boards of Governors of the Bank and the Fund
On the
Transfer of Real Resources to Developing Countries)

DC2003-0012
September 12, 2003

ENHANCING VOICE AND PARTICIPATION OF DEVELOPING AND TRANSITION COUNTRIES:

Progress Report by the Boards of the World Bank and the IMF

Attached for the September 22, 2003, Development Committee meeting is a paper entitled "Enhancing Voice and Participation of Developing and Transition Countries: Progress Report by the Boards of the World Bank and the IMF." This item will be considered under Item II of the Provisional Agenda.

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DEVELOPMENT COMMITTEE
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MEMORANDUM

DATE: September 12, 2003

T0: Members of the Development Committee

SUBJECT: **Enhancing Voice and Participation of Developing and Transition Countries**

At its April 13, 2003, meeting the Development Committee underscored that "enhancing the voice and effective participation of developing and transition countries in the work and decision-making of the Bretton Woods Institutions can contribute importantly to strengthening the international dialogue and the effectiveness of these institutions."

The Committee welcomed recent capacity-enhancing decisions and looked forward to additional steps. It noted that a status report is to be prepared by the Fund Executive Board for the next meeting of the IMFC on the adequacy of IMF resources, the distribution of quotas and the strengthening of Fund governance. The Development Committee requested the Boards of the Bank and the Fund "to consider and elaborate upon options with a potential for broad support, taking account of shareholder and institutional implications." It noted its intention to pursue its discussion of these matters and requested a progress report for its next meeting.

We are pleased to attach a progress report by the World Bank and the report of the IMF Executive Board to the IMFC as background for Ministers' discussion at the Development Committee meeting in Dubai on September 22, 2003. The reports show how the two institutions have moved within their spheres of responsibility to respond to the issues of voice and participation. A number of the remaining major issues will require a broad consensus amongst shareholders.

H. Köhler

James D. Wolfensohn | Horst Köhler

Attachments

ENHANCING VOICE AND PARTICIPATION OF DEVELOPING AND TRANSITION COUNTRIES:

PROGRESS REPORT BY THE WORLD BANK

SEPTEMBER 11, 2003

ENHANCING VOICE AND PARTICIPATION OF DEVELOPING AND TRANSITION COUNTRIES:

Progress Report by the World Bank

1. The 2002 Monterrey Consensus encouraged the World Bank and the International Monetary Fund (IMF) to find pragmatic and innovative ways to "continue to enhance participation of all developing countries and countries with economies in transition in their decision-making, and thereby to strengthen the international dialogue and the work of those institutions as they address the development needs and concerns of these countries." Responding to that call, the Development Committee in September 2002 requested a background document, and, in April 2003, the Committee considered a joint Bank/Fund Technical Note (DC2003-0002). The Technical Note set out a wide range of proposals that had been made in various fora to enhance the voice and participation of developing and transition countries in decision-making in the Bretton Woods Institutions.

2. In its April 2003 Communiqué, the Committee welcomed the capacity-enhancing decisions which had just been taken by the Executive Directors of the two institutions and urged them to consider additional steps that might be possible. It encouraged potential donors to actively pursue the idea of creating a financing mechanism that could support independent research and advice in key policy areas. Finally, it requested the Boards to consider and elaborate upon other options with a potential for broad support and called for a progress report for its next meeting.

3. Bank Executive Directors have continued their discussions on the subject since April, including initial, informal discussion of a range of options related to the structural issues of voting, capital stock and Board structure. These options are described in a paper that was prepared by the Bankstaff at the request of the Executive Directors, *Issues Note: Enhancing the Voice of Developing and Transition Countries, June 2,2003,* attached as Annex 1. The Board's Committee on Governance and Executive Directors' Administrative Matters (COGAM) has had extensive discussions of options directed at enhancing capacity in Executive Directors' Offices.

4. These discussions have again highlighted that no single change is going to address adequately the *voice* issue. Rather a comprehensive effort over time across a range of issues will be required. Some changes will be important because of their potential significant impact on the quality of Bank decision-making; others may be important for their value in demonstrating in visible ways to a skeptical outside world the increasing weight of developing countries in the formal structure of decision-making in the institutions.

5. This Progress Report summarizes the deliberations and actions of the Bank's Executive Directors in considering and elaborating upon these options.

A. Country Ownership and Perspectives in the Bank's Work

6. Reinforcing and encouraging strong country ownership of development strategies, locating more staff and services closer to client countries, and extending the transparency and openness of Bank operations are seen as important means by which to enhance the voice of developing countries. The increasing involvement of developing and transition countries in the design and formulation of the Bank's lending and non-lending operations, Country Assistance Strategies (CAS)

and Poverty Reduction Strategy Papers, already underway, is widely considered one of the most effective ways of enhancing voice. Similarly, there is a widespread perception that locating substantial proportions of Bank decision-making and operational staff in the countries concerned can have a positive impact on increased voice of developing and transition countries. Executive Directors have thus emphasized throughout their discussions that these two positive trends should be strengthened.

7. Executive Directors have also emphasized achieving greater diversity in the make-up of middle and senior Bank management as another avenue to bring developing country experience and perspectives to the forefront of the Bank's work.

B. Enhancing Capacity in Executive Directors' Offices

8. Several measures to enhance capacity in the offices of the Executive Directors and in the capitals of their constituent members have been developed under the guidance of COGAM. Earlier this year, COGAM established a Task Force on Enhancing Capacity in Executive Directors' Offices (the Task Force) to explore capacity enhancements, including increasing staffing levels, upgrading capacity of existing staff, better use of technology, identifying and training staff in country and providing consulting and research support. New initiatives are underway, or under preparation by the Task Force in a number of areas:

(a) *Executive Directors' Offices*: In April, the Executive Directors approved the interim recommendation of the Task Force to amend the staffing guidelines to provide that each of the offices of Executive Directors with 20 or more member countries would be entitled to appoint an additional Senior Advisor and two Advisors. Staffing levels and workloads in some other Executive Directors' offices will also be reviewed. In addition, training opportunities that can help build capacity for all Executive Directors' offices, especially those from developing and transition countries are being launched, including: participation in the Bank's learning programs; tailored mini-induction programs and training modules; e-learning; and an easy-to-access catalog of training opportunities.

(b) *Communications with capitals*: To facilitate the dialogue between Executive Directors' and member country governments, the Bank has introduced a system that offers government counterparts in capitals direct and secure access to Board documents via the Internet, developed an External Website project for Executive Directors' offices, and improved electronic access and videoconferencing for these offices.

(c) *In-country capacity building measures*: Proposals are also being developed to strengthen capacity for in-country counterparts. These proposals would make the best possible use of local and regional institutions, and would encourage networking within the Government, and between the Government and Civil Society (NGOs, the private sector, Academia and think tanks) as well as regional networking and information sharing. Three components are under consideration: (i) in-country network and communications building and training; (ii) regional training activities involving the Global Development Learning Network; and (iii) the use of a council of advisors. Preliminary work has started on many of these proposals.

(d) *Secondment:* A program to expand secondment to the Bank of staff from developing and transition countries is in an advanced stage of preparation. Secondment is recognized as a potential opportunity for country counterparts to experience first hand how policies, programs and projects are designed within a development institution such as the Bank, and to learn the strengths and weaknesses of such an institution, along with good opportunities for training, networking and cross fertilization. The design of a secondment program is well-advanced, with remaining work focused on securing funding sources, incorporating lessons from Bank and other secondment programs, finalizing criteria for participants, and developing monitoring indicators and mechanisms.

(e) *Independent research and policy advice*: Executive Directors from developing and transition countries have expressed interest in having recourse to independent analysis and opinions on selective issues. Access to such research and advice would serve to help shape the agenda on development issues from a different perspective and provide a more substantive contribution to the development debate through strengthening the capacity of developing country offices to engage in policy debates. A number of donors have confirmed their commitment to fund studies, and the precise modalities for establishing a mechanism to facilitate independent research and policy advice are being developed.

C. IDA Voting and Capital Structure

9. Board members have reviewed IDA's voting and capital structures (as described in the Issues Note), which differ from those of the Bank itself, and supported a range of steps that could be taken to enhance the voice and participation of IDA borrower countries in IDA's processes.

10. Voting power in IDA has two components: membership votes, which are allocated equally to all members; and subscription votes, which vary with the subscription amount allocated to each member. Contributions to IDA do not carry voting rights. Through IDA's replenishments, the Board of Governors has allocated votes on account of subscriptions, on the basis of three principles: 1) the subscription votes of each Part I country should correspond to its share of total cumulative Part I resources of IDA; 2) the relative voting power of the Part II countries as a group should be maintained by conferring subscription votes on Part II members at a nominal cost; and 3) membership votes should be increased to preserve the voting share of the smaller countries.

11. In principle, this system was designed to protect the voting power of the developing countries in IDA. At present, however, there is a big discrepancy between votes allocated and actual voting rights, because not all Part II members have subscribed to the full amount allocated to them. The Part I bloc holds about 62 percent of the votes, the Part II bloc about 38 percent. However, if all allocated subscriptions were taken up and paid in (approximately $14.3 million unsubscribed and $1.8 million subscribed but not yet paid in), the Part I bloc would hold about 52 percent of the votes and Part II nearly 48 percent.

12. Board members considered that such an increase in voting shares (of about 10 percent) would strengthen the voice of developing and transition countries in IDA. Accordingly, they encouraged Part II members that had not subscribed to their full allocation to do so. A trust fund might also be used to assist low income countries in making the necessary IDA subscription payments, if there is sufficient interest among the countries concerned.

13. In addition, Board members stressed the importance of additional efforts to increase the participation of borrower country representatives in IDA's replenishment process which was instituted for the first time in the IDA 13 replenishment negotiations, of further reflecting borrower country concerns in meeting agendas, and of engaging borrower countries in IDA monitoring and

evaluation processes. In the view of many Board members, however, these important initiatives to enhance the voice of developing and transition countries need to be complemented by strengthening the policy role of IDA Executive Directors in IDA decision-making.

D. IBRD Voting Structure and Capital Stock

14. The Issues Note laid out options related to changes in IBRD voting structure (basic votes, allocation principles, special majorities), changes in IBRD capital stock (general or selective capital increases, membership shares, selective capital decrease) and structure of the Board of Executive Directors (constituencies, Board seats, length of terms). Final decisions on these options for major institutional change could be expected to take some time, and there was some interest or support expressed for each of the options identified. At this time, however, there is not yet a consensus to pursue any of these structural options and they have therefore not been developed beyond the description set out in the Annex. In particular, broad support would be needed for Articles' amendments (which require at least an 85% majority) and for changes in capital stock (capital increases require at least a 75% majority, and changes in relative proportions would require some shareholders to agree to reduce their proportionate capital shares).

15. It was recognized that many of the issues covered in the paper raise a number of complex considerations requiring broad political consensus and which therefore would be most likely achieved through agreement on a package of measures. Views differed on the likely timeframe in which progress might be achieved, with some Executive Directors of the view that agreement would only be possible after the Fund had made progress under the 13th Quota Review. Others argued that the greater flexibility of the Bank's financial structure should allow some early progress (particularly through an increase in membership shares/selective capital increase). Still others thought that it was important, even in the absence of agreement, to keep these matters under review on a regular basis.

16. **Issues for Discussion:**

- Are there other options that Ministers believe should be considered for deepening country involvement in Bank work, enhancing capacity in Executive Directors' offices, or effecting structural changes in IDA or IBRD?
- Do Ministers support the trust fund mechanism for financing of independent research, secondment program or IDA subscription payments?
- What next steps would Ministers envisage for further exploration of the structural options referred to in paragraph 15?

ANNEX 1
June 2, 2003

ISSUES NOTE
ENHANCING THE "VOICE" OF DEVELOPING AND TRANSITION COUNTRIES AT THE WORLD BANK

I. Purpose of this Note

1. This issues note is intended to provide the basis for a further discussion by Bank Executive Directors on structural issues involved in enhancing the "voice" and effective participation of developing and transition countries (henceforth described as developing countries) in the work and decision-making of the World Bank. Based on this discussion and any further work or consultations that may be needed, as well as parallel work by the Fund Board, a progress report will need to be prepared by the Boards for consideration by the Development Committee at its next meeting.

II. Background

2. This issue has long been a matter of concern to shareholders and outside observers alike, and it was most recently considered by the Development Committee at its April 13, 2003 meeting based on a joint Bank/Fund "voice paper."[1] The Committee's communiqué of this meeting "requested the Boards of the Bank and Fund to consider and elaborate upon options [in this area] with a potential for broad support, taking account of shareholder and institutional implications."[2] This note does so, focusing on Bank-specific issues.

3. There are many aspects of this topic, including a number that are being examined separately. For example, various procedural steps are being taken to improve the operational efficiency of the Board itself, to increase the staff capacity of Executive Directors' offices serving the largest multi-country constituencies and to bolster the technical support provided to developing country chairs on substantive policy issues. Proposed improvements in these areas were noted in the voice paper and are now either being implemented or are under consideration for implementation.

4. It should be clear that no single change is going to address adequately the voice issue. The proposed changes noted above are important steps but still form only part of the more comprehensive effort many see as needed if significant reforms are to be made and results achieved. Some changes are important because of their potential significant impact on the quality of Bank decision-making, others may be more important for their value in demonstrating in visible ways to a skeptical outside world the increasing weight of developing countries in the formal structure of decision-making in the institutions. Among the most important changes may well be those that will

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[1] "Enhancing the Voice and Participation of Developing and Transition Countries at the World Bank and IMF," DC2003-0002, March 27, 2003.

[2] Development Committee Communiqué, April 13, 2003, paragraph 9.

better equip developing countries to ensure that "their" issues, or their perception of issues, are made part of the Bank and Fund agenda, as well as part of the G-8 agenda and related policy influencing bodies, alongside issues pressed by the industrial countries through the G-8 and in other ways. Bank/Fund support for a strengthened G-24 research agenda and the efforts of various academic and NGO groups are designed in part to address this problem and may be productive avenues for further study.

5. This note reviews several structural options, primarily focused on voting structure, the allocation of IBRD shares and the structure of constituencies at the Board of Executive Directors. These options require approval by the Bank's Board of Governors, by its member countries, or, in the case of amendments of the Articles of Agreement, by both the Board of Governors and three-fifths of members holding 85 percent of the voting power.[3]

6. As requested by the Development Committee in its communiqué, this note emphasizes those options "with a potential for broad support". Though it is not likely that any of these options will be entirely satisfactory to each of the Bank's 184 member governments, there must be willingness to compromise and look for a package that will get consensus support if this exercise is to produce results. The assumption of this note is that such political will does exist - as reflected in the Development Committee's communiqué and the statements of many Ministers at that meeting - and that there is a willingness to give serious consideration to these more demanding options at this time in order to "strengthen the international dialogue and the effectiveness of these institutions" [i.e., the Bank and the Fund]. This issues note provides Executive Directors an opportunity to test this assumption.

III. Options

7. One major aspect of "voice" in Bank decision-making stems from the growing/perceived disparity in voting power between developed country and developing country shareholders. Concerns have also been voiced about disparities in voting power held by some specific members, developed as well as developing countries.

8. Voting power in the Bank has two elements: each member has 250 votes (referred to as "basic votes" or "membership votes") plus one vote for each share of stock held.[4] Changes in voting power could thus be achieved by increasing or decreasing basic votes or shares held. Changing the number of basic votes requires an amendment of the Articles of Agreement. Increasing or decreasing the Bank's capital stock requires Board of Governors' approval, by three-fourths' majority of total voting power.[5]

9. Decision-making majorities are another element of the Bank's voting structure. In general, decisions in the Bank require a simple majority, with few specific exceptions—most notably, changes in capital stock and Articles' amendments, as already noted.[6]

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[3] Article VIII.
[4] Article V, Section 3 (a).
[5] Article II, Section 2 (b) and Article V, Section 2 (b)(ii).
[6] Article V, Section 3 (b).

10. Options under each of these two different avenues, voting structure and capital increase, are discussed below. In addition, issues specific to IDA's voting and capital structure are summarized separately.

11. The Bank's weighted voting system operates at two levels—the Board of Governors and the Board of Executive Directors. Each country casts its votes separately in a vote by the Governors. In voting by the Executive Directors, each Executive Director casts "as a unit" the votes of the member or members who appointed or elected him or her, so that an Executive Director elected by a constituency of members casts as a bloc the votes of all those member countries.[7]

12. Consequently, changes in the voting structure for Executive Directors could be achieved by changing the groupings of countries in constituencies as well as by changing the number of Executive Directors.

13. A third set of options related to the structure of the Board of Executive Directors is also discussed below.

A. IBRD Voting Structure

14. <u>Increase in Basic Votes.</u> Basic votes were introduced at the founding of the Bank to provide increased weight for smaller countries. While not counted as part of the Bank's capital base, each country's 250 votes are added to its shares to produce its total voting power in the institution. (See attached table 2)

15. Currently, these 46,000 votes (250 votes x 184 members) represent just 2.8 percent of total votes, down from 10.78 percent at the founding of the Bank. Of the current total, developing countries hold about 81 percent (37,250 for 149 developing countries). If, for example, basic votes were doubled to 92,000, they would then represent five and a half percent of total votes, of which developing countries would hold 74,500. Developing countries' total shareholding would go from current levels of about 40 percent to about 41 percent. If shareholders agreed to return the proportion of basic votes to their original level of about ten percent of total votes, an increase of 128,800 basic votes would be required. Developing countries would then hold approximately 43 percent of total votes.

16. The issues to be considered here are as follows:

a) would an increase of this magnitude in the developing countries' share of votes be, and be perceived as, an important step in increasing the influence of developing countries in Bank decision-making, despite the fact that voting in the Bank is infrequent?;

b) by increasing the votes of all countries equally, an increase in basic votes does not correct the situation of those countries under-represented in the Bank by virtue of their improved economic position in the world;

c) an increase in basic votes would not be a financial burden on members;

[7] Article V, Section 4 (g).

d) an increase would require amending the Articles of Agreement; and

e) if such a change is deemed important enough to change the Articles, at what level should the change be sought - e.g. to five percent, or ten percent, of total votes?

17. Increase Developing Country Voting Weight by Basing Voting on Other Factors. Some outside critics have suggested that the Bank's governance structure should reflect "the new financial, economic and development thinking trends", arguing that major shareholders now exercise influence that is out of proportion to their current investment. Some critics suggest voting and shareholding should be based not only on a country's relative place in the global economy but on population as well, or other factors. Such steps - or even a move in these directions - would obviously create a radically different structure for the World Bank. As no shareholder may have its share of total shares reduced without its concurrence, this does not appear to be a proposition likely to gain broad support at this time, and so it is not developed here as a viable option.

18. SPECIAL MAJORITIES. MATTERS BEFORE THE BANK ARE DECIDED BY A MAJORITY OF THE VOTES CAST, EXCEPT AS OTHERWISE SPECIFIED IN THE ARTICLES. VOTES BY THE BOARD OF GOVERNORS REQUIRE A QUORUM OF A MAJORITY OF THE GOVERNORS EXERCISING AT LEAST TWO-THIRDS OF THE TOTAL VOTING POWER; VOTES BY THE EXECUTIVE DIRECTORS REQUIRE A QUORUM OF A MAJORITY OF THE DIRECTORS EXERCISING AT LEAST ONE-HALF OF THE TOTAL VOTING POWER.[8]

19. Several specific actions by the Governors and Executive Directors require special majorities of total voting power, principally increases in capital (75 percent majority), increases in the number of Executive Directors (80 percent majority), and amendments to the Articles, which require approval by three-fifths of the members, having 85 percent of the total voting power.[9] Other decisions requiring special majority votes relate to financial and administrative aspects of the Bank's structure.[10]

20. Suggestions have been made to require special majority votes for additional matters or to introduce double majorities, with separate majorities required for developing country members. In

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[8] Article V, Sections 2 (d) and 4 (f).

[9] Article II, Section 2 (b) and Article VIII (a). This latter clause was amended in 1989, to replace four-fifths of the total voting power with the 85% requirement. Acceptance by all members is required for any amendment of the Articles which would modify the right of members to withdraw from the Bank (Article VI, Section 1) or to exercise preemptive rights in subscription to shares (Article II, Section 3 (c)) or would alter the limitation on liability on shares to the unpaid portion of the issue price (Article II, Section 6).

[10] The other areas where various special majorities are also required may be summarized as follows: selection of currency where repayments are not made in the currency loaned (Article IV, Section 4(b) (i)); buying and selling of certain securities (Article IV, Section 8 (iv)); calling Governors' meetings (Article V, Section 2(c)); suspension of membership (Article VI, Section 2); maintenance of Bank membership after cessation of IMF membership (Article VI, Section 3); and suspension of Bank operations and distribution of Bank assets (Article VI, 5(b) and (f)). In the Fund, there are more than 40 decisions that require either an 85% or 70% special majority.

particular, some of the Regional Development Banks (RDBs) have requirements for special majorities of regional member votes as part of the majority required for key decisions, such as appointment of the President, changes in Board seats, amendment of the Articles, capital increases and quorums for meetings.[11] A double majority of developed and developing countries could be required for Bank-specific decisions of particular importance to the institution, such as those relating to its financial integrity.

21. These options have been proposed as a means of increasing the number of countries whose agreement is needed for major decisions. It should be noted that special majorities can also operate to permit a smaller group of countries to block decisions by a larger group. Amendment of the Articles would be required for such changes. For these reasons, it does not seem that changes in this area are likely to engender broad support.

B. Changes in Capital Stock

22. Increases in the Bank's capital stock take place in two ways: through a general capital increase (GCI), in which shares are generally allocated to all members, or through a special or selective capital increase (SCI), in which shares are allocated only to a limited number of members. In the case of an SCI, most members agree not to exercise their right to subscribe to a proportionate share of a capital increase, so that certain other members can subscribe to additional shares and increase their relative share of the Bank's capital. All increases in the Bank's capital require Board of Governors' approval, by a 75 percent majority. Note that a particular country's shareholding does not have an impact on its access to IBRD lending, unlike quotas in the Fund.

23. General Capital Increase (GCI). A basic principle of the Bank (and Fund) from its inception has been that a member's share in the capital stock should reflect its position in the world economy. The most comprehensive way in the Bank to achieve this outcome is through a GCI. The last GCI was agreed to in 1988, however, and since then there has not been adequate shareholder support or agreement on need to begin preparations for another GCI. This situation remains true today, and thus this does not appear to be a promising route to gain an increased voice for developing country members. (One unexplored possibility would be for borrowing countries to take a larger than proportionate share in a future GCI; if this has any attraction it would require further careful study, of course.)

24. Selective Capital Increase (SCI). Another approach to increasing the voice of borrowing countries would be a very specific form of the selective capital increase. In 1998, an SCI was

[11] Under the Agreement Establishing the Inter-American Development Bank, special majorities of regional members are required for capital increases (Article II, Section 2 (e)), quorum (Article VIII, Section 2 (e) and 3 (f)), Board seats (Article VIII, Section 3(b)(ii)), selection of the President (Article VIII, Section 5 (a)), suspension of membership (Article IX, Section 2) and termination of operations and distribution of assets (Article X, Section 2 and 4 (a)). The African Development Bank has similar provisions on the Board seats, election of the President and amendments of the Articles, and regional members' share of total voting power is fixed at 60 percent. (Articles of Agreement, African Development Bank, Articles 5(4), 33 (1), 36 (1), and 60 (1).) In the Asian Development Bank, regional members' share of capital stock may not fall below 60 percent. (Agreement establishing the AsDB, Article 5(1).) In the European Bank for Reconstruction and Development, the share of capital stock held by countries which are members of the European Community, together with the European Community and the European Investment Bank, may not fall below a majority. (Agreement Establishing the European Bank for Reconstruction and Development, Article 5 (2).)

approved - after two years of deliberations - that resulted in five countries being able to increase their IBRD shareholdings to reflect more accurately their improved economic circumstances. On that occasion, all member countries that were fifteen percent or more below their appropriate level of shareholding (based on the ratio of their share of IBRD shareholding to either their share of IMF Calculated Quotas or GNP) were eligible to participate, if they were also prepared to demonstrate their commitment to the Bank Group by increasing their contributions to IDA. Of 25 eligible countries, five ultimately participated (Brazil, Denmark, Korea, Spain and Turkey), requiring an increase of about 23,000 shares or 1.49 percent of total shares at that time.

25. An option suited to the current interest in increasing the voice of developing countries, and reflecting more accurately the improved economic position of a number of these countries, would be to limit a new SCI to those <u>developing countries</u> that are under-represented. The attached table 1 (column 4) indicates those countries that would qualify to purchase shares under this arrangement. An increase of 79,957 shares would be required if all 28 under-represented countries were to purchase the shares needed to bring their IBRD shareholding up to the level commensurate with their economic standing, using the Calculated Quota and/or GNI measures. If all shares were purchased, total developing country votes would rise from 646,254 (40 percent of total votes) to 726,211 (42.8 percent). This increase would represent a 5.1 percent overall increase in IBRD shares and a 4.9 percent overall increase in votes.

26. Considerations in this option are as follows:

a) it does not require an Articles change;

b) it does require, however, that each Bank member agree to this approach, as no country can be forced to reduce its shareholding percentage, which would obviously be required if some shareholders increase their holdings;

c) unlike Basic Votes, obtaining these shares creates a financial cost to participants (and a contribution, albeit small, to the capital base of the Bank), although if the previous SCI model is followed the paid-in portion would be just six percent of the price of the share ($120,635), of which ten percent would be in US dollars and the remainder in national currency;

d) a contingent liability for the member is created by the callable portion of subscriptions;

e) it would correct, for <u>participating developing countries</u>, the distortions caused by the failure to recognize through increased shareholdings their improved economic circumstances, but would not change existing over- or under-representation for industrial countries; and

f) this is proposed as a restricted SCI, discriminating in favor of developing countries, in order to serve the goal of increasing their voice, which would of course not be achieved by an open SCI.

27. Alternatively, a similar approach could be followed but using the Purchasing Power Parity (PPP) GNI figures rather than CQ/GNI. Many of the same considerations noted above would apply in this option as well, along with additional theoretical and practical issues concerning when it is appropriate to use PPP calculations. For example, the use of PPP in these circumstances would open up major issues in other areas as GNI per capita or CQ are currently used for determination of IDA burden sharing and IDA/PRGF/HIPC eligibility. Moreover, as indicated in Table 1 (column 5), over 291,000 shares would be required for 34 countries. This 18 percent overall increase in votes (about 18.5 percent in shares) would result in significant changes in country rankings of IBRD shareholding. (See table 3 for current IBRD shareholding in rank order.)

28. Increase in Membership Shares. In association with the 1979 GCI, an additional increase of 33,500 shares was agreed to, representing 250 shares for subscription by each member - "membership shares." These membership shares were structured as a kind of synthetic increase in basic votes, so that these shares had no paid-in portion and were entirely callable, and would not count towards the Bank's lending limits. If shareholders wish to address the erosion of the developing countries' share of basic votes in total votes noted above, another option would be to repeat the 1979 membership share allocation, or increase it still further. It would have a similar impact as the basic vote option above. However, the additional contingent liability for each member subscribing to 250 new shares would amount to roughly $30 million, or double that amount for twice the number of shares.

29. The issues for this option are as follows:

a) unlike the basic vote option, an amendment to the Articles would not be needed;

b) also unlike the basic vote option, member countries taking advantage of this offer would incur a contingent liability, as shares would be callable capital - even if there would not be any requirement for a paid-in portion;

c) as it would be available to all members, it would not address the distortions in shareholdings caused by failure to reflect improved economic performance; and

d) would the gain of roughly one to three percent in additional shareholding percentage for borrowers - particularly for the poorest members - be worth this potential financial burden?

30. In subsequent capital increases this membership share device was not followed, and after the 1988 GCI a Board Committee set up to review the entire question of Voting Power of Smaller Members could not agree on any approach to solve this erosion problem. [12]

31. Selective Capital Decrease (SCD) for Some Members. The Bank's Articles of Agreement do not authorize members to exchange shares directly among themselves, but authorize the Bank to

[12] "Report of the Ad Hoc Committee on Voting Power of Smaller Members (COVP)," R83-193, September 25, 1989.

accept transfers of shares back from members.[13] Under a SCD, certain members would voluntarily transfer to the Bank some of their subscribed shares (for example, ten percent of their total subscription). The Bank would then allocate these shares to certain other members meeting agreed criteria, as in the SCI approaches noted above.

32. Considerations concerning this option are as follows:

a) it would not increase Bank capital at a time when most shareholders agree there is no operational need for a capital increase;

b) this option does address the over-representation issue - significant in the case of some countries - that is not addressed by other options;

c) the shares of most countries would not change except for those directly involved;

d) it requires finding enough volunteers to make the exercise worthwhile; and

e) arrangements would be more complex and time-consuming than an SCI (e.g., shares would be repurchased at book value, but calculation of this amount raises certain issues of interpretation of the Articles).

33. Combination of Options. It would, of course, be possible to combine two or more of these options into a package to achieve more significant impact and perhaps broader shareholder support. For example, combining the SCI (using CQ/GNI measures) for under-represented developing countries (79,957 shares) with a doubling of membership shares (or basic votes) for all countries (46,000) would have a positive impact on voice and address under-representation issues. The developing countries' share of total voting in this option would rise to 44.3 percent.

General Issues

34. Trust Fund. A number of donors have suggested they would be willing to contribute to a Trust Fund to pay for some portion of the poorest countries' costs for purchase of shares. This would alleviate some of the concerns noted above that might discourage poor countries from taking up shares made available under several options.

35. Market Impact. Questions have been raised on the likely impact on investors and the bond markets on a significant shift in the balance of votes and/or shareholding toward developing countries. In the RDBs, votes and shareholding are divided more equally between developing countries and other members and yet their AAA rating in financial markets is retained. Based on a potential shift of about five percent towards developing countries (as described above), on World Bank experience in the market, and the experience of the RDBs, Bank financial experts do not believe there would be an impact on the Bank's borrowing costs.

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[13] Article II, Section 10. Members have transferred shares to the Bank in two sets of circumstances, as part of the settlement of accounts with withdrawing members, and, in the special case of a transfer of 2250 shares from China in 1960.

C. IDA Voting and Capital Structure

36. IDA's voting and capital structures differ from those of the Bank outlined above. Voting power in IDA has two components: membership votes, which are allocated equally to all members; and subscription votes, which vary with the amount each member has subscribed. Contributions to IDA do not carry voting rights.[14] Through IDA's replenishments, the Board of Governors has allocated votes on account of subscriptions, on the basis of three principles: 1) the subscription votes of each Part I country should correspond to its share of total cumulative Part I resources contributed to IDA; 2) the relative voting power of the Part II countries as a group should be maintained by conferring subscription votes on Part II members at a nominal cost; and 3) membership votes should be increased to preserve the voting share of the smaller countries.

37. In principle, this system was designed to protect the voting power of the developing countries in IDA, and avoids the problem the Bank faces in maintaining the proportion of basic votes. At present, however, there is a big discrepancy between votes allocated and actual voting rights, because not all Part II members have subscribed to the full amount allocated to them.[15] The Part I bloc holds 62 percent of the votes, the Part II bloc under 38 percent. However, if allocated subscriptions were taken up, the Part I bloc would hold about 52 percent of the votes and Part II nearly 48 percent.

38. Thus, it would appear that there is little need to change the current formula to increase the voice of developing countries in IDA voting, but it would be important to consider encouraging Part II members that have not subscribed to their full allocations to do so. For the poorest countries the donor-financed Trust Fund approach noted above might be considered.

39. Decision-making majorities in IDA are similar to those in the Bank.[16] Thus, options related to special majorities outlined in paragraphs18-21 above could also be applied to IDA.

D. Structure of the Board of Executive Directors

40. The Bank's Articles provide for the appointment of an Executive Director by each of the five members having the largest number of shares, and for the election of seven Executive Directors by all the Governors of all other members. The number of elected Executive Directors may be

[14] IDA Article VI, Section 3(a). Membership votes and subscription votes are allocated to members who take up the subscriptions authorized by the Board of Governors in IDA replenishments. Membership votes were originally 500 votes per member, and have since increased through successive replenishments to a total possible 30,600 membership votes (for each member who has subscribed to all allocations made).

[15] Currently, for Part II members subscription votes are allocated at the rate of one vote for each $25 subscribed; membership votes are acquired without additional charge when subscriptions are made.

[16] Matters before IDA are decided by a majority of votes, except those involving suspension of membership or suspension of operations and settlement of obligations (which requires a decision of the majority of the Governors exercising a majority of total voting power); amendment of the Articles of Agreement (which requires a vote by three-fifths of the members having four-fifths of total voting power); and additions to IDA's resources (which requires a two-thirds majority of total voting power). IDA Articles, Article VII, Section 2 (a), 5 (a), Article IV, and Article III, Section 1 (d).

increased, as other members join, by the Board of Governors acting by a four-fifths majority, and has now been increased to 19, resulting in a Board of 24 Executive Directors.[17] The Executive Directors have recommended each of the increases to the Board of Governors, generally emphasizing the principle of wide geographical and balanced representation. The last addition of an elected Executive Director took place in 1992.

41. Changing the country grouping in constituencies could be achieved through the casting of votes by individual Governors in the bi-annual elections for Executive Directors. Changing the number of Executive Directors to be elected would require a decision of the Board of Governors. Changing the number of Executive Directors to be appointed would require an amendment of the Articles of Agreement.

42. Constituencies. Even without changing the current number of Board seats, rearrangement of constituency groupings would touch upon a host of issues given the vested interests and political considerations at stake. While this paper could explore such issues as under- and over-representation at the Board for certain regions, based on the number of countries represented and/or their relative economic strength, it is unlikely that any major realignment will be achieved without significant political decisions taking place outside the Boards (e.g., a European Union decision to reduce the number of European seats or even to form a single constituency) or by the unlikely development that one or more chairs decide to give up their seat(s). It is possible, of course, that an agreement to a significant shift in the balance of shareholdings, under one of the options described above, could lead to shareholders also agreeing to parallel changes in chairs and constituencies. Suggestions to increase the number of mixed constituencies, which some (but certainly not all) see as a way of increasing the voice of developing countries, is also complicated for the same reasons and so is not explored here.

43. Board seats. The most immediate issue in this area with some potential for broad support is to address the problem faced by the two sub-Saharan African Executive Directors, who together represent a total of 47 countries. If agreement could be reached on the principle, for example, that no ED should be expected to represent more than sixteen countries if he/she is to do an effective job, then the issue would arise as to whether the Board is prepared to propose to the Governors the addition of a chair for this purpose or, alternatively, if there is a member or group of members prepared to give up their chair(s) for this purpose in order to maintain the total number of Executive Directors at 24 for the sake of efficiency.

44. Thus, the issues here are as follows:

a) given recent additions agreed to for staff in the two largest constituencies, is it still important to add another chair for sub-Saharan Africa, both to strengthen the voice of developing countries and because no individual can be expected to represent adequately more that sixteen countries (note that some outside observers have suggested a limit of ten, which would impact seven current constituencies)?;

[17] Article V, Section 4 (b).

b) if so, is there agreement that this is so important, both for internal benefits and external perceptions, that a 25th chair should be approved, even though it might decrease, by some degree, Board efficiency?; and

c) if a new chair cannot be agreed upon, is there willingness to raise the issue of asking one or more chairs to consider relinquishing their seat for this purpose - with the most over-represented chair(s) being the most immediate choices.

45. Length of Executive Directors' Terms. Under the Articles, Executive Directors are elected or appointed every two years. There has been concern expressed, however, that the voice and impact of Executive Directors, especially those from developing countries, is impaired by the brevity of these appointments. As a result, one option that has been proposed to enhance the impact of Executive Directors would be to lengthen the normal term of EDs.

46. Considerations on this proposal include the following:

a) when an elected Executive Director resigns between elections, a by-election is held among those members whose votes counted towards his or her election. As a result, it is possible - and not uncommon - for individuals to serve for longer or shorter periods than two years.

b) a formal change in the length of terms, applicable to all Executive Directors, would require an amendment of the Articles;

c) longer terms for Executive Directors should strengthen the voice and influence of developing countries if their EDs are selected with these objectives in mind; and

d) constituencies have the flexibility to make their own decisions on length of tenure, and thus could potentially reach an informal understanding within and among themselves on this matter without seeking an Articles change.

IV. Conclusion

47. This paper has set forth a number of possible structural changes with the potential to improve the voice of developing countries in World Bank decision-making. In each case, the practical implications and potential to gain broad support have been explored. Consideration of these various options by Executive Directors, and any others that may have inadvertently been omitted is an important next step. These discussions should determine what further work is needed, if any, on these or other options before preparation of a progress report for ministers' consideration at the next Development Committee meeting.

Attachments

Summary of Options
Three Tables

Summary of Options

OPTIONS	**IMPACT**	**COMMENTS**	**ACTION REQUIRED**
1. Increase Basic Votes (paras 14-16)	• Double Basic Votes, to 92,000: Developing Countries' share of total votes increases from 40 to 41% • Increase basic votes to 10% total: Developing countries share = 43%	• No cost to members • Does not correct specific cases of under-representation	• Amend Articles*
2. Selective Capital Increase - CQ/GNI (paras 24-26)	• Under-represented developing countries (28) eligible to purchase total of 79,957 IBRD shares: Developing country shareholdings increase from 40% to 42.8 % (if all purchased)	• To determine under-representation, last SCI used ratio of share of IBRD shareholding to country's share of either IMF Calculated Quota (CQ) or GNP (now GNI) • Creates financial cost for purchase of shares and additional contingent liability • Would have impact on country rankings	• Board of Governors approval** • Non-subscribing members agree not to exercise their preemptive rights
3. Selective Capital Increase - PPP (para 27)	• Under-represented developing countries (34) eligible to purchase over 291,000 IBRD shares: Significant changes in country rankings	• Use of PPP methodology would be new departure and create potential problems in other calculations now using GNI per capita or CQ • As above, creates financial cost and contingent liability • Would have more significant impact on country rankings than any other option	• Board of Governors approval** • Non-subscribing members agree not to exercise their preemptive rights

*Amendment of IBRD Articles of Agreement requires approval by Board of Governors AND 3/5 of member countries having 85% of total voting power
**Capital increase requires Board of Governors' approval by 75% majority of total voting power

4. Increase in Membership Shares (paras 28-30)	• Double Membership Shares by creating 250 for each member: Developing Countries' share of total votes would increase from 40 to 41%.	• Contingent liability for members ($30,000,000 for each 250 shares) • Would not address under-representation of individual countries	• Board of Governors approval**
5. Selective Capital Decrease (paras 31-32)	• Over-represented countries sell some shares to the Bank which in turn sells them to under-represented countries, thereby helping correct distortions in voting Power.	• Volunteers may not be sufficient in number to have great impact on relative voting strength • Would be valuable step toward correcting cases of significant over-representation without needing to have unnecessary capital increase • Only involved countries shares would change • Arrangements would be complex and time-consuming , including proper determination of share price	• Agreed among participating members • Executive Directors' approval may be required
6. Combination of Options (para 33)	• Combine SCI-GNI/CQ with Membership Share Increase option: Developing country shareholdings would increase to 44.3% OR • Other permutations	• See comments on options above	• Board of Governors approval** • Non-subscribing members agree not to exercise their preemptive rights

*Amendment of IBRD Articles of Agreement requires approval by Board of Governors AND 3/5 of member countries having 85% of total voting power
**Capital increase requires Board of Governors' approval by 75% majority of total voting power

7. Donor Trust Fund (para 34)	• Donor countries contribute to trust fund to help poor countries purchase membership shares or regular shares	• This would be a tangible way for wealthier shareholders to provide direct help to developing country partners • Could also be used for Part II IDA subscriptions (see 8 below)	
8. IDA Votes - Part II Members subscribe to allocated subscriptions (paras. 36-39)	• Part II members subscribe to already allocated subscriptions: if all allocations are subscribed, Part II members' voting power would rise to 48% from 38%	• Until Part II IDA members take up remaining subscriptions allocated to them, they will not have the benefit of accompanying increases in voting power. • Subscription cost is set at each IDA replenishment at nominal level ($25/vote). • These subscriptions would help demonstrate the collaborative nature of IDA	• Subscriptions taken up by remaining Part II members
9. Board Seats - agree on principle that no ED should represent more than 16 countries (paras. 43-44)	• Increase in voice of SSA and developing countries.	• Has recent increase in staffing for two largest constituencies obviated need for such action? • Should new chair be created, or can volunteer(s) be found to relinquish chair(s)	• Increase number of elected Executive Directors, by Board of Governors by 80% majority OR • Members agree to change nationality for existing chair(s) and current constituency structure

*Amendment of IBRD Articles of Agreement requires approval by Board of Governors AND 3/5 of member countries having 85% of total voting power
**Capital increase requires Board of Governors' approval by 75% majority of total voting power

10. Length of EDs' Terms - extend to three years. (paras. 45-46)	• Provide for more experienced and influential voices at Board.	• Constituencies currently able to adjust length of terms with result that some EDs serve longer than two years - and some EDs less • Would same result be possible through informal understandings within and among constituencies?	• Amend Articles* OR • Informal agreements within and between constituencies

*Amendment of IBRD Articles of Agreement requires approval by Board of Governors AND 3/5 of member countries having 85% of total voting power
**Capital increase requires Board of Governors' approval by 75% majority of total voting power

TABLE 1: IBRD CAPITAL SHARE RATIOS

A Comparison of the Shares of IBRD Capital
to the Share of IMF Calculated Quota and Share of GNI (Atlas and PPP)

Country	(1) IBRD/CQ[a]	(2) IBRD/GNI[b] Atlas	(3) IBRD/GNI[c] PPP	(4) Shares Needed CQ-GNI[d]	(5) Shares Needed - PPP[e]
Developed (High Income)					
AUSTRALIA	1.41 ●	1.23 ●	1.41 ●	-	-
AUSTRIA	0.61 ○	1.11	1.44 ●	7,130	-
BAHAMAS, THE	2.49 ●	4.60 ●	6.11 ●	-	-
BAHRAIN	0.38 ○	2.97 ●	2.99 ●	1,816	-
BELGIUM	0.87	2.30 ●	3.13 ●	4,621	-
BRUNEI DARUSSALAM	2.99 ●	**	**	-	-
CANADA	1.03	1.28 ●	1.50 ●	-	-
CYPRUS	1.73 ●	3.04 ●	2.57 ●	-	-
DENMARK	0.76 ○	1.60 ●	2.45 ●	4,224	-
FINLAND	0.91	1.35 ●	1.91 ●	819	-
FRANCE	0.95	0.98	1.38 ●	3,914	-
GERMANY	0.61 ○	0.73 ○	0.98	50,329	1,384
GREECE	0.29 ○	0.27 ○	0.26 ○	4,548	4,861
ICELAND	2.57 ●	3.01 ●	4.21 ●	-	-
IRELAND	0.30 ○	1.17 ●	1.20 ●	12,509	-
ISRAEL	0.64 ○	0.87	1.07	2,677	-
ITALY	0.78 ○	0.78 ○	0.89	13,390	5,898
JAPAN	0.95	0.55 ○	1.13	123,472	-
KOREA, REPUBLIC OF	0.55 ○	0.69 ○	0.63 ○	13,368	9,568
KUWAIT	2.21 ●	6.92 ●	9.83 ●	-	-
LUXEMBOURG	0.07 ○	1.83 ●	1.97 ●	23,120	-
NETHERLANDS	0.76 ○	1.77 ●	2.30 ●	11,302	-
NEW ZEALAND	1.88 ●	2.76 ●	2.78 ●	-	-
NORWAY	0.81 ○	1.21 ●	2.11 ●	2,383	-
PORTUGAL	0.65 ○	0.97	0.85	2,943	971
QATAR	0.88	**	**	144	-
SAN MARINO	1.05	**	**	-	-
SINGAPORE	0.01 ○	0.07 ○	0.10 ○	44,811	2,995
SLOVENIA	0.55 ○	1.26 ●	1.05	1,040	-
SPAIN	0.90	0.93	0.96	3,329	1,291
SWEDEN	0.70 ○	1.29 ●	1.97 ●	6,613	-
SWITZERLAND	1.05	1.87 ●	3.71 ●	-	-
UNITED ARAB EMIRATES	0.28 ○	**	**	6,316	-
UNITED KINGDOM	0.74 ○	0.92	1.38 ●	25,763	-
UNITED STATES	1.01	0.53 ○	0.77 ○	348,554	103,807
Countries	35		Shares	719,136	130,776
Developing (Low and Middle Income)					
AFGHANISTAN	3.09 ●	**	**	-	-
ALBANiA	2.34 ●	3.82 ●	2.02 ●	-	-
ALGERIA	3.13 ●	3.53 ●	1.39 ●	-	-
ANGOLA	0.80 ○	7.77 ●	2.75 ●	690	-
ANTIGUA AND BARBUDA	6.08 ●	16.15 ●	21.15 ●	-	-
ARGENTINA	1.94 ●	1.34 ●	1.19 ●	-	-
ARMENIA	6.50 ●	10.21 ●	3.19 ●	-	-
AZERBAIJAN	2.73 ●	6.09 ●	1.86 ●	-	-
BANGLADESH	3.03 ●	1.94 ●	0.64 ○	-	2,722
BARBADOS	3.90 ●	7.06 ●	6.43 ●	-	-
BELARUS	1.89 ●	5.03 ●	1.24 ●	-	-
BELIZE	8.87 ●	15.70 ●	11.80 ●	-	-
BENIN	5.03 ●	6.97 ●	3.89 ●	-	-
BHUTAN	8.61 ●	17.64 ●	**	-	-
BOLIVIA	4.54 ●	4.31 ●	2.58 ●	-	-
BOSNIA AND HERZEGOVINA	0.20 ○	2.12 ●	0.64 ○	2,136	308
BOTSWANA	0.64 ○	2.28 ●	1.31 ●	344	-
BRAZIL	1.92 ●	1.23 ●	0.74 ○	-	11,866
BULGARIA	2.89 ●	7.67 ●	2.67 ●	-	-
BURKINA FASO	5.48 ●	6.68 ●	1.90 ●	-	-
BURUNDI	13.91 ●	20.15 ●	4.25 ●	-	-

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Country	(1) IBRD/CQ[/a]		(2) IBRD/GNI[/b] Atlas		(3) IBRD/GNI[/c] PPP		(4) Shares Needed CQ-GNI[/d]	(5) Shares Needed - PPP[/e]
CAMBODIA	0.76	○	1.25	●	0.27	○	67	592
CAMEROON	3.58	●	3.40	●	1.69	●	-	-
CAPE VERDE	10.53	●	16.60	●	5.78	●	-	-
CENTRAL AFRICAN REPUBLIC	9.71	●	16.81	●	4.97	●	-	-
CHAD	7.94	●	10.55	●	2.89	●	-	-
CHILE	1.54	●	1.91	●	1.39	●	-	-
CHINA	0.60	○	0.77	○	0.25	○	31,514	153,382
COLOMBIA	1.86	●	1.52	●	0.59	○	-	4,375
COMOROS	13.31	●	25.08	●	7.47	●	-	-
CONGO, DEM. REP. OF	5.34	●	12.37	●	2.09	●	-	-
CONGO, REPUBLIC OF	2.14	●	9.08	●	8.68	●	-	-
COSTA RICA	0.21	○	0.29	○	0.18	○	861	1,063
COTE D'IVOIRE	2.78	●	4.78	●	2.92	●	-	-
CROATIA	1.12		2.24	●	1.62	●	-	-
CZECH REPUBLIC	0.96		2.26	●	1.19	●	262	-
DJIBOUTI	7.82	●	19.04	●	10.36	●	-	-
DOMINICA	16.86	●	42.68	●	36.03	●	-	-
DOMINICAN REPUBLIC	1.14		2.15	●	0.99		-	18
ECUADOR	2.44	●	3.87	●	1.86	●	-	-
EGYPT, ARAB REPUBLIC OF	1.33	●	1.39	●	0.88		-	1,002
EL SALVADOR	0.17	○	0.21	○	0.12	○	712	1,049
EQUATORIAL GUINEA	5.83	●	42.59	●	**		-	-
ERITREA	4.44	●	17.01	●	3.87	●	-	-
ESTONIA	1.18	●	3.41	●	1.88	●	-	-
ETHIOPIA	0.78	○	2.85	●	0.52	○	277	907
FIJI	3.65	●	10.95	●	7.05	●	-	-
GABON	1.39	●	4.82	●	3.70	●	-	-
GAMBIA, THE	8.67	●	24.83	●	5.60	●	-	-
GEORGIA	5.97	●	9.97	●	3.32	●	-	-
GHANA	3.03	●	5.17	●	0.97		-	41
GRENADA	12.70	●	28.49	●	22.20	●	-	-
GUATEMALA	2.59	●	1.99	●	1.10		-	-
GUINEA	6.06	●	8.02	●	2.46	●	-	-
GUINEA-BISSAU	21.96	●	52.86	●	12.88	●	-	-
GUYANA	3.52	●	32.15	●	8.33	●	-	-
HAITI	4.94	●	5.32	●	1.99	●	-	-
HONDURAS	1.19	●	2.11	●	0.97		-	17
HUNGARY	1.50	●	3.19	●	1.81	●	-	-
INDIA	3.32	●	1.83	●	0.43	○	-	62,848
INDONESIA	1.30	●	2.02	●	0.69	○	-	6,845
IRAN, ISLAMIC REPUBLIC OF	4.20	●	4.25	●	1.73	●	-	-
IRAQ	0.87		**		**		433	-
JAMAICA	3.46	●	6.92	●	7.57	●	-	-
JORDAN	1.25	●	3.08	●	2.02	●	-	-
KAZAKHSTAN	0.98		2.90	●	0.87		65	437
KENYA	3.97	●	4.50	●	2.31	●	-	-
KIRIBATI	10.83	●	117.63	●	**		-	-
KYRGYZ REPUBLIC	0.96		15.61	●	2.30	●	47	-
LAO PEOPLE'S DEM. REP.	1.40	●	2.12	●	0.58	○	-	131
LATVIA	2.07	●	3.53	●	2.15	●	-	-
LEBANON	0.28	○	0.38	○	0.53	○	854	306
LESOTHO	2.62	●	11.75	●	3.76	●	-	-
LIBERIA	0.44	○	19.65	●	**		579	-
LIBYA	3.44	●	**		**		-	-
LITHUANIA	1.34	●	2.52	●	1.45	●	-	-
MACEDONIA, FYR OF	0.56	○	2.41	●	0.97		338	14
MADAGASCAR	7.15	●	6.60	●	3.02	●	-	-
MALAWI	6.53	●	12.49	●	5.14	●	-	-
MALAYSIA	0.41	○	2.02	●	1.12		11,886	-
MALDIVES	5.81	●	16.25	●	**		-	-
MALI	5.92	●	9.03	●	3.66	●	-	-

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MALTA	1.32	●	5.75	●	5.85	●	-	-
MARSHALL ISLANDS	23.39	●	79.44	●	**		-	-
MAURITANIA	6.92	●	17.55	●	4.67	●	-	-
MAURITIUS	2.47	●	5.27	●	2.97	●	-	-
MEXICO	0.82	○	0.67	○	0.64	○	9,618	11,014
MICRONESIA, FED. STATES OF	7.79	●	36.16	●	**		-	-
MOLDOVA	4.04	●	18.34	●	4.21	●	-	-
MONGOLIA	2.68	●	9.43	●	3.14	●	-	-
MOROCCO	2.27	●	2.79	●	1.34	●	-	-
MOZAMBIQUE	1.43	●	4.77	●	1.28	●	-	-
MYANMAR	5.43	●	**		**		-	-
NAMIBIA	3.93	●	8.45	●	3.38	●	-	-
NEPAL	3.09	●	3.23	●	0.89		-	123
NICARAGUA	1.62	●	**		**		-	-
NIGER	8.42	●	8.38	●	2.43	●	-	-
NIGERIA	2.98	●	6.64	●	3.24	●	-	-
OMAN	0.92		2.04	●	1.52	●	2,383	-
PAKISTAN	3.62	●	3.03	●	0.99		-	81
PALAU	0.49	○	2.36	●	**		16	-
PANAMA	0.20	○	0.79	○	0.65	○	1,547	203
PAPUA NEW GUINEA	2.35	●	8.33	●	2.71	●	-	-
PARAGUAY	1.30	●	3.15	●	1.18	●	-	-
PERU	2.25	●	1.99	●	1.25	●	-	-
PHILIPPINES	0.77	○	1.65	●	0.64	○	2,036	3,817
POLAND	1.19	●	1.30	●	0.85		-	2,013
ROMANIA	1.48	●	2.02	●	0.87		-	607
RUSSIAN FEDERATION	2.19	●	3.44	●	1.23	●	-	-
RWANDA	7.81	●	10.79	●	2.73	●	-	-
SAMOA	17.65	●	39.78	●	13.97	●	-	-
SAO TOME AND PRINCIPE	65.41	●	224.23	●	**		-	-
SAUDI ARABIA	3.10	●	4.82	●	4.44	●	-	-
SENEGAL	5.63	●	8.51	●	4.00	●	-	-
SERBIA AND MONTENEGRO	0.79	○	3.15	●	**		420	-
SEYCHELLES	3.39	●	9.52	●	**		-	-
SIERRA LEONE	14.88	●	20.18	●	8.40	●	-	-
SLOVAK REPUBLIC	1.14		3.08	●	1.41	●	-	-
SOLOMON ISLANDS	10.19	●	39.50	●	17.60	●	-	-
SOMALIA	16.86	●	**		**		-	-
SOUTH AFRICA	2.18	●	2.15	●	0.78	○	-	3,827
SRI LANKA	3.38	●	4.53	●	1.81	●	-	-
ST. KITTS AND NEVIS	7.77	●	17.91	●	15.29	●	-	-
ST. LUCIA	6.57	●	17.37	●	18.94	●	-	-
ST. VINCENT & THE GRENADINES	7.06	●	17.08	●	12.73	●	-	-
SUDAN	2.01	●	1.55	●	0.39	○	-	1,354
SURINAME	2.11	●	10.55	●	**		-	-
SWAZILAND	1.56	●	6.17	●	2.69	●	-	-
SYRIAN ARAB REPUBLIC	1.30	●	2.48	●	1.15		-	-
TAJIKISTAN	1.56	●	18.74	●	4.09	●	-	-
TANZANIA	3.28	●	2.68	●	2.03	●	-	-
THAILAND	0.47	○	1.04		0.46	○	7,314	7,554
TIMOR-LESTE	33.32	●	25.75	●	**		-	-
TOGO	6.52	●	16.83	●	4.06	●	-	-
TONGA	25.60	●	62.48	●	**		-	-
TRINIDAD AND TOBAGO	4.40	●	6.64	●	6.32	●	-	-
TUNISIA	0.46	○	0.70	○	0.33	○	850	1,468
TURKEY	0.82	○	0.97		0.60	○	1,895	5,508
TURKMENISTAN	0.62	○	1.99	●	0.63	○	323	303
UGANDA	1.91	●	2.03	●	0.52	○	-	581
UKRAINE	1.81	●	6.04	●	1.45	●	-	-
URUGUAY	3.12	●	2.85	●	2.82	●	-	-
UZBEKISTAN	0.72	○	3.51	●	1.15		978	-

TABLE 1: IBRD CAPITAL SHARE RATIOS

A Comparison of the Shares of IBRD Capital to the Share of IMF Calculated Quota and Share of GNI (Atlas and PPP)

Country	(1) IBRD/CQ[/a]		(2) IBRD/GNI[/b] Atlas		(3) IBRD/GNI[/c] PPP		(4) Shares Needed CQ-GNI[/d]	(5) Shares Needed - PPP[/e]
VANUATU	13.95	●	53.84	●	25.84	●	-	-
VENEZUELA, REP. BOLIVARIANA DE	3.93	●	3.38	●	4.13	●	-	-
VIETNAM	0.39	○	0.58	○	0.17	○	1,509	4,860
YEMEN, REPUBLIC OF	1.32	●	5.27	●	4.38	●	-	-
ZAMBIA	7.30	●	16.45	●	9.96	●	-	-
ZIMBABWE	5.93	●	10.51	●	3.21	●	-	-
Countries	149					Shares	79,957	291,236

/a Calculated Quotas are based on the IMF 12th General Quota Review
/b 2001 Gross National Income, Atlas Method
/c 2001 Gross National Income, Purchasing Power Parity (PPP)
/d Additional shares needed for those countries with ratios less than 1.0 for the IBRD/CQ and IBRD/GNI Atlas methods, to bring ratio up to 1:1
/e Additional shares needed for those countries with ratios less than 1.0 for the IBRD/GNI PPP method, to bring ratio up to 1:1

** GNI data unavailable
● ratio of more than 1.15
○ ratio of less than 0.85

TABLE 2: IBRD CAPITAL SHARES
BY MEMBER COUNTRY

Country	Current Voting Power			
	# of Shares	Membership Votes	Total Votes	% of Votes
Developed (High Income)				
AUSTRALIA	24,464	250	24,714	1.53%
AUSTRIA	11,063	250	11,313	0.70%
BAHAMAS, THE	1,071	250	1,321	0.08%
BAHRAIN	1,103	250	1,353	0.08%
BELGIUM	28,983	250	29,233	1.81%
BRUNEI DARUSSALAM	2,373	250	2,623	0.16%
CANADA	44,795	250	45,045	2.79%
CYPRUS	1,461	250	1,711	0.11%
DENMARK	13,451	250	13,701	0.85%
FINLAND	8,560	250	8,810	0.54%
FRANCE	69,397	250	69,647	4.31%
GERMANY	72,399	250	72,649	4.49%
GREECE	1,684	250	1,934	0.12%
ICELAND	1,258	250	1,508	0.09%
IRELAND	5,271	250	5,521	0.34%
ISRAEL	4,750	250	5,000	0.31%
ITALY	44,795	250	45,045	2.79%
JAPAN	127,000	250	127,250	7.87%
KOREA, REPUBLIC OF	15,817	250	16,067	0.99%
KUWAIT	13,280	250	13,530	0.84%
LUXEMBOURG	1,652	250	1,902	0.12%
NETHERLANDS	35,503	250	35,753	2.21%
NEW ZEALAND	7,236	250	7,486	0.46%
NORWAY	9,982	250	10,232	0.63%
PORTUGAL	5,460	250	5,710	0.35%
QATAR	1,096	250	1,346	0.08%
SAN MARINO	595	250	845	0.05%
SINGAPORE	320	250	570	0.04%
SLOVENIA	1,261	250	1,511	0.09%
SPAIN	27,997	250	28,247	1.75%
SWEDEN	14,974	250	15,224	0.94%
SWITZERLAND	26,606	250	26,856	1.66%
UNITED ARAB EMIRATES	2,385	250	2,635	0.16%
UNITED KINGDOM	69,397	250	69,647	4.31%
UNITED STATES	264,969	250	265,219	16.40%
Countries	962,408	8,750	971,158	60.04%
Developing (Low and Middle Income)				
AFGHANISTAN	300	250	550	0.03%
ALBANiA	830	250	1,080	0.07%
ALGERIA	9,252	250	9,502	0.59%
ANGOLA	2,676	250	2,926	0.18%
ANTIGUA AND BARBUDA	520	250	770	0.05%
ARGENTINA	17,911	250	18,161	1.12%
ARMENIA	1,139	250	1,389	0.09%
AZERBAIJAN	1,646	250	1,896	0.12%
BANGLADESH	4,854	250	5,104	0.32%
BARBADOS	948	250	1,198	0.07%
BELARUS	3,323	250	3,573	0.22%
BELIZE	586	250	836	0.05%
BENIN	868	250	1,118	0.07%
BHUTAN	479	250	729	0.05%
BOLIVIA	1,785	250	2,035	0.13%
BOSNIA AND HERZEGOVINA	549	250	799	0.05%
BOTSWANA	615	250	865	0.05%
BRAZIL	33,287	250	33,537	2.07%
BULGARIA	5,215	250	5,465	0.34%
BURKINA FASO	868	250	1,118	0.07%
BURUNDI	716	250	966	0.06%
CAMBODIA	214	250	464	0.03%
CAMEROON	1,527	250	1,777	0.11%
CAPE VERDE	508	250	758	0.05%
CENTRAL AFRICAN REPUBLIC	862	250	1,112	0.07%
CHAD	862	250	1,112	0.07%
CHILE	6,931	250	7,181	0.44%

TABLE 2: IBRD CAPITAL SHARES
BY MEMBER COUNTRY

Country	Current Voting Power			
	# of Shares	Membership Votes	Total Votes	% of Votes
CHINA	44,799	250	45,049	2.79%
COLOMBIA	6,352	250	6,602	0.41%
COMOROS	282	250	532	0.03%
CONGO, DEM. REP. OF	2,643	250	2,893	0.18%
CONGO, REPUBLIC OF	927	250	1,177	0.07%
COSTA RICA	233	250	483	0.03%
COTE D'IVOIRE	2,516	250	2,766	0.17%
CROATIA	2,293	250	2,543	0.16%
CZECH REPUBLIC	6,308	250	6,558	0.41%
DJIBOUTI	559	250	809	0.05%
DOMINICA	504	250	754	0.05%
DOMINICAN REPUBLIC	2,092	250	2,342	0.14%
ECUADOR	2,771	250	3,021	0.19%
EGYPT, ARAB REPUBLIC OF	7,108	250	7,358	0.45%
EL SALVADOR	141	250	391	0.02%
EQUATORIAL GUINEA	715	250	965	0.06%
ERITREA	593	250	843	0.05%
ESTONIA	923	250	1,173	0.07%
ETHIOPIA	978	250	1,228	0.08%
FIJI	987	250	1,237	0.08%
GABON	987	250	1,237	0.08%
GAMBIA, THE	543	250	793	0.05%
GEORGIA	1,584	250	1,834	0.11%
GHANA	1,525	250	1,775	0.11%
GRENADA	531	250	781	0.05%
GUATEMALA	2,001	250	2,251	0.14%
GUINEA	1,292	250	1,542	0.10%
GUINEA-BISSAU	540	250	790	0.05%
GUYANA	1,058	250	1,308	0.08%
HAITI	1,067	250	1,317	0.08%
HONDURAS	641	250	891	0.06%
HUNGARY	8,050	250	8,300	0.51%
INDIA	44,795	250	45,045	2.79%
INDONESIA	14,981	250	15,231	0.94%
IRAN, ISLAMIC REPUBLIC OF	23,686	250	23,936	1.48%
IRAQ	2,808	250	3,058	0.19%
JAMAICA	2,578	250	2,828	0.17%
JORDAN	1,388	250	1,638	0.10%
KAZAKHSTAN	2,985	250	3,235	0.20%
KENYA	2,461	250	2,711	0.17%
KIRIBATI	465	250	715	0.04%
KYRGYZ REPUBLIC	1,107	250	1,357	0.08%
LAO PEOPLE'S DEM. REP.	178	250	428	0.03%
LATVIA	1,384	250	1,634	0.10%
LEBANON	340	250	590	0.04%
LESOTHO	663	250	913	0.06%
LIBERIA	463	250	713	0.04%
LIBYA	7,840	250	8,090	0.50%
LITHUANIA	1,507	250	1,757	0.11%
MACEDONIA, FYR OF	427	250	677	0.04%
MADAGASCAR	1,422	250	1,672	0.10%
MALAWI	1,094	250	1,344	0.08%
MALAYSIA	8,244	250	8,494	0.53%
MALDIVES	469	250	719	0.04%
MALI	1,162	250	1,412	0.09%
MALTA	1,074	250	1,324	0.08%
MARSHALL ISLANDS	469	250	719	0.04%
MAURITANIA	900	250	1,150	0.07%
MAURITIUS	1,242	250	1,492	0.09%
MEXICO	18,804	250	19,054	1.18%
MICRONESIA, FED. STATES OF	479	250	729	0.05%
MOLDOVA	1,368	250	1,618	0.10%
MONGOLIA	466	250	716	0.04%
MOROCCO	4,973	250	5,223	0.32%
MOZAMBIQUE	930	250	1,180	0.07%
MYANMAR	2,484	250	2,734	0.17%
NAMIBIA	1,523	250	1,773	0.11%

TABLE 2: IBRD CAPITAL SHARES
BY MEMBER COUNTRY

Country	Current Voting Power # of Shares	Membership Votes	Total Votes	% of Votes
NEPAL	968	250	1,218	0.08%
NICARAGUA	608	250	858	0.05%
NIGER	852	250	1,102	0.07%
NIGERIA	12,655	250	12,905	0.80%
OMAN	1,561	250	1,811	0.11%
PAKISTAN	9,339	250	9,589	0.59%
PALAU	16	250	266	0.02%
PANAMA	385	250	635	0.04%
PAPUA NEW GUINEA	1,294	250	1,544	0.10%
PARAGUAY	1,229	250	1,479	0.09%
PERU	5,331	250	5,581	0.35%
PHILIPPINES	6,844	250	7,094	0.44%
POLAND	10,908	250	11,158	0.69%
ROMANIA	4,011	250	4,261	0.26%
RUSSIAN FEDERATION	44,795	250	45,045	2.79%
RWANDA	1,046	250	1,296	0.08%
SAMOA	531	250	781	0.05%
SAO TOME AND PRINCIPE	495	250	745	0.05%
SAUDI ARABIA	44,795	250	45,045	2.79%
SENEGAL	2,072	250	2,322	0.14%
SERBIA AND MONTENEGRO	1,597	250	1,847	0.11%
SEYCHELLES	263	250	513	0.03%
SIERRA LEONE	718	250	968	0.06%
SLOVAK REPUBLIC	3,216	250	3,466	0.21%
SOLOMON ISLANDS	513	250	763	0.05%
SOMALIA	552	250	802	0.05%
SOUTH AFRICA	13,462	250	13,712	0.85%
SRI LANKA	3,817	250	4,067	0.25%
ST. KITTS AND NEVIS	275	250	525	0.03%
ST. LUCIA	552	250	802	0.05%
ST. VINCENT & THE GRENADINES	278	250	528	0.03%
SUDAN	850	250	1,100	0.07%
SURINAME	412	250	662	0.04%
SWAZILAND	440	250	690	0.04%
SYRIAN ARAB REPUBLIC	2,202	250	2,452	0.15%
TAJIKISTAN	1,060	250	1,310	0.08%
TANZANIA	1,295	250	1,545	0.10%
THAILAND	6,349	250	6,599	0.41%
TIMOR-LESTE	517	250	767	0.05%
TOGO	1,105	250	1,355	0.08%
TONGA	494	250	744	0.05%
TRINIDAD AND TOBAGO	2,664	250	2,914	0.18%
TUNISIA	719	250	969	0.06%
TURKEY	8,328	250	8,578	0.53%
TURKMENISTAN	526	250	776	0.05%
UGANDA	617	250	867	0.05%
UKRAINE	10,908	250	11,158	0.69%
URUGUAY	2,812	250	3,062	0.19%
UZBEKISTAN	2,493	250	2,743	0.17%
VANUATU	586	250	836	0.05%
VENEZUELA, REP. BOLIVARIANA DE	20,361	250	20,611	1.27%
VIETNAM	968	250	1,218	0.08%
YEMEN, REPUBLIC OF	2,212	250	2,462	0.15%
ZAMBIA	2,810	250	3,060	0.19%
ZIMBABWE	3,325	250	3,575	0.22%
Countries	609,004	37,250	646,254	39.96%
Total	1,571,412	46,000	1,617,412	100.00%

MEMBER	NO. OF SHARES	PERCENT OF TOTAL	CQ	PERCENT OF TOTAL	AQ	PERCENT OF TOTAL	GNI-Atlas 2001	PERCENT OF TOTAL
AFGHANISTAN	300	0.02	51.3	0.01	120.4	0.06		0.00
ALBANIA	830	0.05	187.1	0.02	48.7	0.02	4237	0.01
ALGERIA	9252	0.59	1564.1	0.19	1254.7	0.59	51028	0.17
ANGOLA	2676	0.17	1778.2	0.21	286.3	0.13	6707	0.02
ANTIGUA AND BARBUDA	520	0.03	45.2	0.01	13.5	0.01	627	0.00
ARGENTINA	17911	1.14	4876.6	0.59	2117.1	1.00	260315	0.85
ARMENIA	1139	0.07	92.6	0.01	92	0.04	2172	0.01
AUSTRALIA	24464	1.56	9193	1.11	3236.4	1.52	385876	1.26
AUSTRIA	11063	0.70	9572.5	1.15	1872.3	0.88	194709	0.64
AZERBAIJAN	1646	0.10	318.8	0.04	160.9	0.08	5268	0.02
BAHAMAS, THE	1071	0.07	227.6	0.03	130.3	0.06	4533	0.01
BAHRAIN	1103	0.07	1541	0.19	135	0.06	7246	0.02
BANGLADESH	4854	0.31	846.1	0.10	533.3	0.25	48617	0.16
BARBADOS	948	0.06	128.5	0.02	67.5	0.03	2614	0.01
BELARUS	3323	0.21	930.5	0.11	386.4	0.18	12861	0.04
BELGIUM	28983	1.84	17709.3	2.13	4605.2	2.16	245293	0.80
BELIZE	586	0.04	34.9	0.00	18.8	0.01	727	0.00
BENIN	868	0.06	91.2	0.01	61.9	0.03	2424	0.01
BHUTAN	479	0.03	29.4	0.00	6.3	0.00	529	0.00
BOLIVIA	1785	0.11	207.7	0.03	171.5	0.08	8072	0.03
BOSNIA AND HERZEGOVINA	549	0.03	1417.4	0.17	169.1	0.08	5037	0.02
BOTSWANA	615	0.04	506.6	0.06	63	0.03	5251	0.02
BRAZIL	33287	2.12	9167.9	1.10	3036.1	1.43	528905	1.73
BRUNEI DARUSSALAM	2373	0.15	419.1	0.05	215.2	0.10		0.00
BULGARIA	5215	0.33	954.2	0.11	640.2	0.30	13241	0.04
BURKINA FASO	868	0.06	83.7	0.01	60.2	0.03	2532	0.01
BURUNDI	716	0.05	27.2	0.00	77	0.04	692	0.00
CAMBODIA	214	0.01	148.4	0.02	87.5	0.04	3339	0.01
CAMEROON	1527	0.10	225.2	0.03	185.7	0.09	8740	0.03
CANADA	44795	2.85	22963.7	2.76	6369.2	2.99	681588	2.23
CAPE VERDE	508	0.03	25.5	0.00	9.6	0.00	596	0.00
CENTRAL AFRICAN REPUBLIC	862	0.05	46.9	0.01	55.7	0.03	999	0.00
CHAD	862	0.05	57.4	0.01	56	0.03	1592	0.01
CHILE	6931	0.44	2375	0.29	856.1	0.40	70619	0.23
CHINA	44799	2.85	39542.1	4.76	6369.2	2.99	1131185	3.70
COLOMBIA	6352	0.40	1802	0.22	774	0.36	81551	0.27
COMOROS	282	0.02	11.2	0.00	8.9	0.00	219	0.00
CONGO, DEM. REP. OF	2643	0.17	261.5	0.03	533	0.25	4162	0.01
CONGO, REPUBLIC OF	927	0.06	228.6	0.03	84.6	0.04	1988	0.01
COSTA RICA	233	0.01	577.7	0.07	164.1	0.08	15715	0.05
COTE D'IVOIRE	2516	0.16	477.5	0.06	325.2	0.15	10258	0.03
CROATIA	2293	0.15	1082.9	0.13	365.1	0.17	19917	0.07
CYPRUS	1461	0.09	446.4	0.05	139.6	0.07	9372	0.03
CZECH REPUBLIC	6308	0.40	3471.9	0.42	819.3	0.39	54310	0.18
DENMARK	13451	0.86	9317	1.12	1642.8	0.77	163967	0.54
DJIBOUTI	559	0.04	37.8	0.00	15.9	0.01	572	0.00
DOMINICA	504	0.03	15.8	0.00	8.2	0.00	230	0.00
DOMINICAN REPUBLIC	2092	0.13	966.8	0.12	218.9	0.10	18955	0.06
ECUADOR	2771	0.18	601	0.07	302.3	0.14	13958	0.05
EGYPT, ARAB REPUBLIC OF	7108	0.45	2822.4	0.34	943.7	0.44	99630	0.33
EL SALVADOR	141	0.01	450.9	0.05	171.3	0.08	13031	0.04
EQUATORIAL GUINEA	715	0.05	64.8	0.01	32.6	0.02	327	0.00
ERITREA	593	0.04	70.6	0.01	15.9	0.01	679	0.00
ESTONIA	923	0.06	414.6	0.05	65.2	0.03	5273	0.02
ETHIOPIA	978	0.06	663.3	0.08	133.7	0.06	6675	0.02
FIJI	987	0.06	142.9	0.02	70.3	0.03	1755	0.01
FINLAND	8560	0.54	4954.9	0.60	1263.8	0.59	123366	0.40
FRANCE	69397	4.42	38651.9	4.65	10738.5	5.05	1380749	4.51
GABON	987	0.06	376.4	0.05	154.3	0.07	3990	0.01
GAMBIA, THE	543	0.03	33.1	0.00	31.1	0.01	426	0.00
GEORGIA	1584	0.10	140.3	0.02	150.3	0.07	3095	0.01
GERMANY	72399	4.61	62854.2	7.57	13008.2	6.11	1939581	6.34
GHANA	1525	0.10	266.2	0.03	369	0.17	5749	0.02
GREECE	1684	0.11	3087.2	0.37	823	0.39	121032	0.40

MEMBER	NO. OF SHARES	PERCENT OF TOTAL	CQ	PERCENT OF TOTAL	AQ	PERCENT OF TOTAL	GNI-Atlas 2001	PERCENT OF TOTAL
GRENADA	531	0.03	22.1	0.00	11.7	0.01	363	0.00
GUATEMALA	2001	0.13	409.1	0.05	210.2	0.10	19569	0.06
GUINEA	1292	0.08	112.6	0.01	107.1	0.05	3139	0.01
GUINEA-BISSAU	540	0.03	13	0.00	14.2	0.01	199	0.00
GUYANA	1058	0.07	159	0.02	90.9	0.04	641	0.00
HAITI	1067	0.07	114.1	0.01	60.7	0.03	3903	0.01
HONDURAS	641	0.04	285.4	0.03	129.5	0.06	5930	0.02
HUNGARY	8050	0.51	2833.5	0.34	1038.4	0.49	49162	0.16
ICELAND	1258	0.08	258.8	0.03	117.6	0.06	8152	0.03
INDIA	44795	2.85	7130	0.86	4158.2	1.95	477368	1.56
INDONESIA	14981	0.95	6097	0.73	2079.3	0.98	144731	0.47
IRAN, ISLAMIC REPUBLIC OF	23686	1.51	2977.3	0.36	1497.2	0.70	108651	0.35
IRAQ	2808	0.18	1712.6	0.21	504	0.24		0.00
IRELAND	5271	0.34	9323.4	1.12	838.4	0.39	87736	0.29
ISRAEL	4750	0.30	3919	0.47	928.2	0.44	106559	0.35
ITALY	44795	2.85	30286	3.65	7055.5	3.32	1123763	3.67
JAMAICA	2578	0.16	393.4	0.05	273.5	0.13	7257	0.02
JAPAN	127000	8.08	70364.4	8.47	13312.8	6.26	4523308	14.78
JORDAN	1388	0.09	588.4	0.07	170.5	0.08	8785	0.03
KAZAKHSTAN	2985	0.19	1612.2	0.19	365.7	0.17	20078	0.07
KENYA	2461	0.16	327.3	0.04	271.4	0.13	10658	0.03
KIRIBATI	465	0.03	22.7	0.00	5.6	0.00	77	0.00
KOREA, REPUBLIC OF	15817	1.01	15295.7	1.84	1633.6	0.77	447639	1.46
KUWAIT	13280	0.85	3172.7	0.38	1381.1	0.65	37358	0.12
KYRGYZ REPUBLIC	1107	0.07	610.1	0.07	88.8	0.04	1381	0.00
LAO PEOPLE'S DEM. REP.	178	0.01	67.3	0.01	52.9	0.02	1634	0.01
LATVIA	1384	0.09	354.1	0.04	126.8	0.06	7628	0.02
LEBANON	340	0.02	631	0.08	203	0.10	17585	0.06
LESOTHO	663	0.04	133.9	0.02	34.9	0.02	1099	0.00
LIBERIA	463	0.03	550.6	0.07	71.3	0.03	459	0.00
LIBYA	7840	0.50	1206.3	0.15	1123.7	0.53		0.00
LITHUANIA	1507	0.10	596.2	0.07	144.2	0.07	11652	0.04
LUXEMBOURG	1652	0.11	12903.4	1.55	279.1	0.13	17571	0.06
MACEDONIA, FYR OF	427	0.03	404.2	0.05	68.9	0.03	3457	0.01
MADAGASCAR	1422	0.09	105.1	0.01	122.2	0.06	4194	0.01
MALAWI	1094	0.07	88.5	0.01	69.4	0.03	1706	0.01
MALAYSIA	8244	0.52	10559.9	1.27	1486.6	0.70	79327	0.26
MALDIVES	469	0.03	42.7	0.01	8.2	0.00	562	0.00
MALI	1162	0.07	103.8	0.01	93.3	0.04	2506	0.01
MALTA	1074	0.07	430.6	0.05	102	0.05	3637	0.01
MARSHALL ISLANDS	469	0.03	10.6	0.00	3.5	0.00	115	0.00
MAURITANIA	900	0.06	68.7	0.01	64.4	0.03	999	0.00
MAURITIUS	1242	0.08	265.9	0.03	101.6	0.05	4592	0.02
MEXICO	18804	1.20	12085.9	1.46	2585.8	1.22	550244	1.80
MICRONESIA, FED. STATES OF	479	0.03	32.5	0.00	5.1	0.00	258	0.00
MOLDOVA	1368	0.09	178.9	0.02	123.2	0.06	1453	0.00
MONGOLIA	466	0.03	91.9	0.01	51.1	0.02	963	0.00
MOROCCO	4973	0.32	1159.1	0.14	588.2	0.28	34681	0.11
MOZAMBIQUE	930	0.06	344.6	0.04	113.6	0.05	3800	0.01
MYANMAR	2484	0.16	241.6	0.03	258.4	0.12		0.00
NAMIBIA	1523	0.10	204.9	0.02	136.5	0.06	3511	0.01
NEPAL	968	0.06	165.4	0.02	71.3	0.03	5830	0.02
NETHERLANDS	35503	2.26	24562.2	2.96	5162.4	2.43	390296	1.28
NEW ZEALAND	7236	0.46	2029.5	0.24	894.6	0.42	51000	0.17
NICARAGUA	608	0.04	198.9	0.02	130	0.06		0.00
NIGER	852	0.05	53.5	0.01	65.8	0.03	1981	0.01
NIGERIA	12655	0.81	2241.4	0.27	1753.2	0.82	37132	0.12
NORWAY	9982	0.64	6525.5	0.79	1671.7	0.79	160787	0.53
OMAN	1561	0.10	901.1	0.11	194	0.09	14896	0.05
PAKISTAN	9339	0.59	1363	0.16	1033.7	0.49	60047	0.20
PALAU	16	0.00	17.1	0.00	3.1	0.00	132	0.00
PANAMA	385	0.02	1020.3	0.12	206.6	0.10	9455	0.03
PAPUA NEW GUINEA	1294	0.08	291.5	0.04	131.6	0.06	3026	0.01
PARAGUAY	1229	0.08	499.1	0.06	99.9	0.05	7595	0.02
PERU	5331	0.34	1252.2	0.15	638.4	0.30	52209	0.17
PHILIPPINES	6844	0.44	4687.5	0.56	879.9	0.41	80845	0.26
POLAND	10908	0.69	4842.7	0.58	1369	0.64	163621	0.53

MEMBER	NO. OF SHARES	PERCENT OF TOTAL	CQ	PERCENT OF TOTAL	AQ	PERCENT OF TOTAL	GNI-Atlas 2001	PERCENT OF TOTAL
PORTUGAL	5460	0.35	4433.2	0.53	867.4	0.41	109285	0.36
QATAR	1096	0.07	655.3	0.08	263.8	0.12		0.00
ROMANIA	4011	0.26	1429.2	0.17	1030.2	0.48	38617	0.13
RUSSIAN FEDERATION	44795	2.85	10806.5	1.30	5945.4	2.79	253413	0.83
RWANDA	1046	0.07	70.8	0.01	80.1	0.04	1889	0.01
SAMOA	531	0.03	15.9	0.00	11.6	0.01	260	0.00
SAN MARINO	595	0.04	300.2	0.04	17	0.01		0.00
SAO TOME AND PRINCIPE	495	0.03	4	0.00	7.4	0.00	43	0.00
SAUDI ARABIA	44795	2.85	7626.5	0.92	6985.5	3.28	181066	0.59
SENEGAL	2072	0.13	194.5	0.02	161.8	0.08	4742	0.02
SERBIA AND MONTENEGRO	1597	0.10	1065.8	0.13	467.7	0.22	9887	0.03
SEYCHELLES	263	0.02	41	0.00	8.8	0.00	538	0.00
SIERRA LEONE	718	0.05	25.5	0.00	103.7	0.05	693	0.00
SINGAPORE	320	0.02	23192.6	2.79	862.5	0.41	88812	0.29
SLOVAK REPUBLIC	3216	0.20	1491.5	0.18	357.5	0.17	20307	0.07
SLOVENIA	1261	0.08	1215.3	0.15	231.7	0.11	19447	0.06
SOLOMON ISLANDS	513	0.03	26.6	0.00	10.4	0.00	253	0.00
SOMALIA	552	0.04	17.3	0.00	44.2	0.02		0.00
SOUTH AFRICA	13462	0.86	3269.9	0.39	1868.5	0.88	121870	0.40
SPAIN	27997	1.78	16522.1	1.99	3048.9	1.43	588019	1.92
SRI LANKA	3817	0.24	597.6	0.07	413.4	0.19	16411	0.05
ST. KITTS AND NEVIS	275	0.02	18.7	0.00	8.9	0.00	299	0.00
ST. LUCIA	552	0.04	44.4	0.01	15.3	0.01	619	0.00
ST. VINCENT & THE GRENADINES	278	0.02	20.8	0.00	8.3	0.00	317	0.00
SUDAN	850	0.05	223.8	0.03	169.7	0.08	10702	0.03
SURINAME	412	0.03	103.1	0.01	92.1	0.04	761	0.00
SWAZILAND	440	0.03	149.3	0.02	50.7	0.02	1388	0.00
SWEDEN	14974	0.95	11362	1.37	2395.5	1.13	225898	0.74
SWITZERLAND	26606	1.69	13401.8	1.61	3458.5	1.63	277176	0.91
SYRIAN ARAB REPUBLIC	2202	0.14	897.4	0.11	293.6	0.14	17260	0.06
TAJIKISTAN	1060	0.07	358.6	0.04	87	0.04	1102	0.00
TANZANIA	1295	0.08	208.5	0.03	198.9	0.09	9411	0.03
THAILAND	6349	0.40	7187.9	0.87	1081.9	0.51	118450	0.39
TIMOR-LESTE	517	0.03	8.2	0.00	8.2	0.00	391	0.00
TOGO	1105	0.07	89.6	0.01	73.4	0.03	1279	0.00
TONGA	494	0.03	10.2	0.00	6.9	0.00	154	0.00
TRINIDAD AND TOBAGO	2664	0.17	320	0.04	335.6	0.16	7809	0.03
TUNISIA	719	0.05	828.8	0.10	286.5	0.13	19985	0.07
TURKEY	8328	0.53	5396.8	0.65	964	0.45	167343	0.55
TURKMENISTAN	526	0.03	448.9	0.05	75.2	0.04	5143	0.02
UGANDA	617	0.04	170.6	0.02	180.5	0.08	5928	0.02
UKRAINE	10908	0.69	3194	0.38	1372	0.64	35185	0.11
UNITED ARAB EMIRATES	2385	0.15	4580.6	0.55	611.7	0.29		0.00
UNITED KINGDOM	69397	4.42	49485	5.96	10738.5	5.05	1476804	4.82
UNITED STATES	264969	16.86	138060.2	16.62	37149.3	17.46	9780817	31.95
URUGUAY	2812	0.18	476.2	0.06	306.5	0.14	19189	0.06
UZBEKISTAN	2493	0.16	1833.7	0.22	275.6	0.13	13821	0.05
VANUATU	586	0.04	22.2	0.00	17	0.01	212	0.00
VENEZUELA, REP. BOLIVARIANA DE	20361	1.30	2735.8	0.33	2659.1	1.25	117169	0.38
VIETNAM	968	0.06	1308	0.16	329.1	0.15	32762	0.11
YEMEN, REPUBLIC OF	2212	0.14	888.3	0.11	243.5	0.11	8177	0.03
ZAMBIA	2810	0.18	203.4	0.02	489.1	0.23	3328	0.01
ZIMBABWE	3325	0.21	296.2	0.04	353.4	0.17	6164	0.02
TOTAL	1,571,412	100.00	830564.9	100	212731.3	100	30608190	100

GNI-Atlas 1997	PERCENT OF TOTAL	GNI-Atlas 2000	PERCENT OF TOTAL	GNI-PPP	PERCENT OF TOTAL	SHARES NEEDED			SHARES
						CQ	GNI - ATLAS	GNI - PPP	CQ - GNI
	0.00		0.00		0.00	-203			-203
2,500	0.01	3,800	0.01	11,636	0.03	-476	-613	-419	-476
44,700	0.15	47,900	0.16	187,922	0.42	-6,305	-6,643	-2,625	-6,305
6,200	0.02	5,700	0.02	27,546	0.06	690	-2,332	-1,704	690
524	0.00	618	0.00	696	0.00	-435	-488	-495	-435
290,500	0.99	275,700	0.90	424,354	0.95	-8,736	-4,586	-2,949	-4,586
2,000	0.01	2,000	0.01	10,112	0.02	-964	-1,028	-782	-964
408,200	1.39	385,900	1.27	491,810	1.11	-7,150	-4,713	-7,170	-4,713
227,700	0.78	204,600	0.67	217,369	0.49	7,130	-1,074	-3,401	7,130
3,200	0.01	4,900	0.02	25,088	0.06	-1,043	-1,376	-760	-1,043
3,700	0.01	4,500	0.01	4,962	0.01	-641	-838	-896	-641
6,100	0.02	7,000	0.02	10,457	0.02	1,816	-731	-734	1,816
42,700	0.15	47,900	0.16	214,079	0.48	-3,257	-2,362	2,722	-2,362
2,100	0.01	2,500	0.01	4,173	0.01	-705	-814	-801	-705
14,100	0.05	13,800	0.05	75,954	0.17	-1,564	-2,664	-641	-1,564
277,400	0.94	257,100	0.84	262,484	0.59	4,621	-16,522	-19,828	4,621
613	0.00	692	0.00	1,406	0.00	-520	-549	-536	-520
2,200	0.01	2,400	0.01	6,316	0.01	-696	-744	-645	-696
370	0.00	478	0.00		0.00	-423	-452		-423
7,600	0.03	8,300	0.03	19,605	0.04	-1,392	-1,371	-1,093	-1,371
3,700	0.01	4,900	0.02	24,253	0.05	2,136	-290	308	2,136
5,100	0.02	5,100	0.02	13,263	0.03	344	-345	-147	344
776,600	2.64	617,300	2.03	1,268,613	2.85	-16,119	-6,241	11,866	-6,241
8,400	0.03		0.00		0.00	-1,581			-1,581
10,000	0.03	12,900	0.04	55,266	0.12	-3,414	-4,537	-3,267	-3,414
2,500	0.01	2,500	0.01	12,966	0.03	-710	-738	-410	-710
924	0.00	723	0.00	4,771	0.01	-665	-680	-548	-665
3,100	0.01	3,200	0.01	22,799	0.05	67	-43	592	67
8,600	0.03	8,700	0.03	25,572	0.06	-1,101	-1,079	-624	-1,079
611,200	2.08	668,300	2.19	843,167	1.90	-1,386	-10,026	-15,300	-1,386
521	0.00	588	0.00	2,487	0.01	-460	-477	-420	-460
1,100	0.00	1,000	0.00	4,906	0.01	-773	-811	-689	-773
1,600	0.01	1,500	0.00	8,452	0.02	-753	-780	-564	-753
72,700	0.25	73,100	0.24	141,557	0.32	-2,445	-3,313	-1,937	-2,445
871,400	2.97	1,100,000	3.61	5,111,244	11.49	31,514	13,785	153,382	31,514
100,300	0.34	85,600	0.28	302,832	0.68	-2,949	-2,171	4,375	-2,171
232	0.00	213	0.00	1,069	0.00	-261	-271	-244	-261
3,900	0.01	4,400	0.01	35,842	0.08	-2,149	-2,430	-1,378	-2,149
1,600	0.01	1,800	0.01	3,022	0.01	-495	-825	-820	-495
12,500	0.04	14,600	0.05	36,656	0.08	861	574	1,063	861
11,200	0.04	10,900	0.04	24,429	0.05	-1,614	-1,990	-1,654	-1,614
21,100	0.07	20,200	0.07	40,152	0.09	-244	-1,271	-875	-244
9,100	0.03	9,400	0.03	16,120	0.04	-617	-980	-892	-617
54,400	0.19	53,900	0.18	150,534	0.34	262	-3,526	-994	262
181,200	0.62	169,700	0.56	155,411	0.35	4,224	-5,060	-7,989	4,224
508	0.00	554	0.00	1,527	0.00	-488	-530	-505	-488
225	0.00	234	0.00	396	0.00	-474	-492	-490	-474
13,800	0.05	17,800	0.06	59,741	0.13	-263	-1,120	18	-263
18,600	0.06	13,500	0.04	42,273	0.10	-1,635	-2,055	-1,279	-1,635
72,800	0.25	95,400	0.31	229,442	0.52	-1,774	-2,000	1,002	-1,774
10,600	0.04	12,600	0.04	33,659	0.08	712	528	1,049	712
361	0.00	327	0.00		0.00	-592	-698		-592
673	0.00	623	0.00	4,341	0.01	-459	-558	-440	-459
4,800	0.02	5,200	0.02	13,875	0.03	-139	-652	-433	-139
6,400	0.02	6,700	0.02	53,326	0.12	277	-635	907	277
2,000	0.01	1,800	0.01	3,964	0.01	-717	-897	-847	-717
131,700	0.45	129,800	0.43	126,758	0.28	819	-2,235	-4,094	819
1,500,000	5.11	1,500,000	4.92	1,420,017	3.19	3,914	1,560	-19,868	3,914
5,000	0.02	3,900	0.01	7,554	0.02	-275	-782	-720	-275
413	0.00	439	0.00	2,747	0.01	-480	-521	-446	-480
3,100	0.01	3,200	0.01	13,516	0.03	-1,319	-1,425	-1,107	-1,319
2,300,000	7.83	2,100,000	6.89	2,086,828	4.69	50,329	29,017	1,384	50,329
7,000	0.02	6,500	0.02	44,323	0.10	-1,022	-1,230	41	-1,022
129,700	0.44	123,900	0.41	184,708	0.42	4,172	4,548	4,861	4,548

GNI-Atlas 1997	PERCENT OF TOTAL	GNI-Atlas 2000	PERCENT OF TOTAL	GNI-PPP	PERCENT OF TOTAL	SHARES NEEDED CQ	GNI - ATLAS	GNI - PPP	SHARES CQ - GNI
291	0.00	369	0.00	677	0.00	-489	-512	-507	-489
16,500	0.06	19,300	0.06	51,413	0.12	-1,228	-997	-185	-997
3,900	0.01	3,300	0.01	14,839	0.03	-1,079	-1,131	-768	-1,079
273	0.00	217	0.00	1,187	0.00	-515	-530	-498	-515
671	0.00	655	0.00	3,594	0.01	-757	-1,025	-931	-757
2,800	0.01	4,000	0.01	15,141	0.03	-851	-867	-532	-851
4,300	0.01	5,500	0.02	18,616	0.04	-101	-337	17	-101
45,800	0.16	47,600	0.16	125,693	0.28	-2,698	-5,535	-3,620	-2,698
7,400	0.03	8,500	0.03	8,456	0.02	-769	-840	-959	-769
403,900	1.38	453,400	1.49	2,929,989	6.59	-31,576	-20,609	62,848	-20,609
222,400	0.76	119,000	0.39	615,169	1.38	-3,471	-7,586	6,845	-3,471
101,500	0.35	105,300	0.35	387,203	0.87	-18,118	-18,172	-10,096	-18,118
	0.00		0.00		0.00	433			433
72,800	0.25	86,800	0.28	124,437	0.28	12,509	-769	-878	12,509
97,500	0.33	104,100	0.34	125,909	0.28	2,677	723	-303	2,677
1,200,000	4.09	1,200,000	3.94	1,429,654	3.21	12,979	13,390	5,898	13,390
6,200	0.02	7,200	0.02	9,638	0.02	-1,835	-2,206	-2,238	-1,835
4,900,000	16.68	4,500,000	14.77	3,193,005	7.18	6,695	123,472	-15,304	123,472
7,100	0.02	8,400	0.03	19,491	0.04	-275	-937	-700	-275
21,200	0.07	18,800	0.06	96,833	0.22	65	-1,955	437	65
9,800	0.03	10,600	0.03	30,112	0.07	-1,842	-1,914	-1,398	-1,842
92	0.00	85	0.00		0.00	-422	-461		-422
	0.00		0.00	714,242	1.61	13,368	7,271	9,568	13,368
35,500	0.12	35,500	0.12	38,230	0.09	-7,305	-11,376	-11,940	-7,305
1,800	0.01	1,400	0.00	13,606	0.03	47	-1,036	-627	47
1,900	0.01	1,500	0.00	8,753	0.02	-51	-94	131	-51
5,700	0.02	6,900	0.02	18,230	0.04	-714	-993	-740	-714
13,900	0.05	17,400	0.06	18,282	0.04	854	563	306	854
1,400	0.00	1,100	0.00	4,990	0.01	-410	-607	-487	-410
279	0.00	426	0.00		0.00	579	-439		579
	0.00		0.00		0.00	-5,566			-5,566
8,200	0.03	10,800	0.04	29,510	0.07	-379	-909	-465	-379
19,800	0.07	18,300	0.06	23,719	0.05	23,120	-750	-815	23,120
4,200	0.01	3,700	0.01	12,484	0.03	338	-250	14	338
3,600	0.01	3,900	0.01	13,332	0.03	-1,223	-1,207	-951	-1,207
2,100	0.01	1,700	0.01	6,024	0.01	-927	-1,006	-881	-927
99,700	0.34	75,700	0.25	208,296	0.47	11,886	-4,182	-890	11,886
453	0.00	568	0.00		0.00	-388	-440		-388
2,600	0.01	2,700	0.01	8,980	0.02	-966	-1,033	-845	-966
3,500	0.01	3,600	0.01	5,199	0.01	-259	-887	-890	-259
99	0.00	114	0.00		0.00	-449	-463		-449
1,100	0.00	1,000	0.00	5,458	0.01	-770	-849	-707	-770
4,400	0.01	4,300	0.01	11,829	0.03	-739	-1,006	-824	-739
348,600	1.19	500,000	1.64	838,230	1.88	4,122	9,618	11,014	9,618
227	0.00	245	0.00		0.00	-418	-466		-418
2,200	0.01	1,400	0.00	9,188	0.02	-1,030	-1,293	-1,044	-1,030
964	0.00	946	0.00	4,206	0.01	-292	-417	-317	-292
34,200	0.12	33,900	0.11	104,976	0.24	-2,784	-3,196	-1,268	-2,784
2,900	0.01	3,800	0.01	20,614	0.05	-278	-735	-202	-278
	0.00		0.00		0.00	-2,027			-2,027
3,800	0.01	3,600	0.01	12,768	0.03	-1,136	-1,343	-1,072	-1,136
5,000	0.02	5,600	0.02	30,871	0.07	-655	-669	123	-655
422,700	1.44	402,200	1.32	436,162	0.98	11,302	-15,665	-20,294	11,302
62,200	0.21	54,500	0.18	73,732	0.17	-3,405	-4,625	-4,639	-3,405
1,800	0.01		0.00		0.00	-232			-232
1,900	0.01	1,900	0.01	9,926	0.02	-751	-750	-501	-750
32,200	0.11	32,700	0.11	110,621	0.25	-8,437	-10,762	-8,769	-8,437
106,200	0.36	155,100	0.51	133,690	0.30	2,383	-1,736	-5,275	2,383
13,300	0.05	14,900	0.05	29,018	0.07	144	-797	-536	144
63,700	0.22	61,800	0.20	266,655	0.60	-6,771	-6,269	81	-6,269
	0.00	137	0.00		0.00	16	-9		16
8,200	0.03	9,300	0.03	16,653	0.04	1,547	100	203	1,547
4,700	0.02	3,400	0.01	13,507	0.03	-743	-1,139	-817	-743
9,700	0.03	8,000	0.03	29,375	0.07	-285	-839	-191	-285
58,400	0.20	53,500	0.18	120,360	0.27	-2,966	-2,655	-1,082	-2,655
88,400	0.30	78,500	0.26	301,061	0.68	2,036	-2,701	3,817	2,036
137,600	0.47	161,200	0.53	365,290	0.82	-1,756	-2,521	2,013	-1,756

						SHARES NEEDED			
GNI-Atlas 1997	PERCENT OF TOTAL	GNI-Atlas 2000	PERCENT OF TOTAL	GNI-PPP	PERCENT OF TOTAL	CQ	GNI - ATLAS	GNI - PPP	SHARES CQ - GNI
112,100	0.38	112,000	0.37	181,942	0.41	2,943	151	971	2,943
11,300	0.04	16,500	0.05		0.00	144			144
32,300	0.11	36,100	0.12	130,675	0.29	-1,309	-2,031	607	-1,309
383,300	1.30	245,700	0.81	1,027,849	2.31	-24,670	-32,050	-8,686	-24,670
1,700	0.01	2,000	0.01	10,865	0.02	-912	-949	-662	-912
229	0.00	242	0.00	1,076	0.00	-501	-518	-493	-501
	0.00		0.00		0.00	-27			-27
41	0.00	43	0.00		0.00	-487	-493		-487
155,500	0.53	168,300	0.55	285,283	0.64	-30,647	-35,710	-34,941	-30,647
4,700	0.02	4,700	0.02	14,681	0.03	-1,704	-1,829	-1,554	-1,704
	0.00		0.00		0.00	420	-1,090		420
571	0.00	547	0.00		0.00	-185	-235		-185
804	0.00	636	0.00	2,419	0.01	-670	-682	-633	-670
104,100	0.35	93,800	0.31	93,672	0.21	44,811	4,252	2,995	44,811
21,500	0.07	20,500	0.07	64,623	0.15	-395	-2,175	-935	-395
19,600	0.07	20,000	0.07	34,128	0.08	1,040	-263	-55	1,040
334	0.00	269	0.00	825	0.00	-463	-500	-484	-463
	0.00		0.00		0.00	-519			-519
150,600	0.51	131,000	0.43	488,229	1.10	-7,304	-7,234	3,827	-7,234
605,500	2.06	597,700	1.96	828,414	1.86	3,329	2,235	1,291	3,329
14,700	0.05	16,400	0.05	59,590	0.13	-2,688	-2,976	-1,714	-2,688
245	0.00	290	0.00	509	0.00	-240	-260	-257	-240
542	0.00	632	0.00	825	0.00	-468	-520	-523	-468
279	0.00	316	0.00	618	0.00	-239	-262	-256	-239
8,200	0.03	9,700	0.03	62,343	0.14	-427	-301	1,354	-301
604	0.00	860	0.00		0.00	-217	-373		-217
1,600	0.01	1,400	0.00	4,627	0.01	-158	-369	-277	-158
247,400	0.84	243,200	0.80	215,079	0.48	6,613	-3,402	-7,412	6,613
310,800	1.06	284,700	0.93	203,196	0.46	-1,271	-12,489	-19,517	-1,271
13,400	0.05	15,400	0.05	54,385	0.12	-505	-1,317	-281	-505
1,300	0.00	1,100	0.00	7,329	0.02	-382	-1,003	-801	-382
6,600	0.02	9,000	0.03	18,029	0.04	-901	-812	-658	-812
106,200	0.36	122,600	0.40	391,694	0.88	7,314	-269	7,554	7,314
	0.00		0.00		0.00	-501	-497		-497
1,500	0.01	1,300	0.00	7,700	0.02	-936	-1,039	-833	-936
167	0.00	164	0.00		0.00	-475	-486		-475
5,500	0.02	6,800	0.02	11,923	0.03	-2,059	-2,264	-2,243	-2,059
19,200	0.07	20,100	0.07	61,862	0.14	850	307	1,468	850
198,600	0.68	201,200	0.66	390,309	0.88	1,895	265	5,508	1,895
3,000	0.01	4,000	0.01	23,454	0.05	323	-262	303	323
6,400	0.02	6,200	0.02	33,914	0.08	-294	-313	581	-294
45,100	0.15	34,300	0.11	213,347	0.48	-4,884	-9,112	-3,388	-4,884
52,500	0.18		0.00		0.00	6,316			6,316
1,300,000	4.43	1,500,000	4.92	1,420,322	3.19	25,763	6,747	-19,857	25,763
8,200,000	27.92	9,700,000	31.84	9,792,473	22.01	-4,512	348,554	103,807	348,554
21,000	0.07	20,500	0.07	28,220	0.06	-1,912	-1,828	-1,816	-1,828
13,200	0.04	15,400	0.05	61,616	0.14	978	-1,784	-317	978
230	0.00	217	0.00	642	0.00	-544	-575	-563	-544
80,200	0.27	104,200	0.34	139,541	0.31	-15,235	-14,401	-15,480	-14,401
25,700	0.09	30,300	0.10	164,467	0.37	1,509	715	4,860	1,509
5,400	0.02	7,100	0.02	14,303	0.03	-532	-1,793	-1,707	-532
3,500	0.01	3,100	0.01	7,987	0.02	-2,426	-2,639	-2,528	-2,426
8,100	0.03	5,600	0.02	29,285	0.07	-2,766	-3,009	-2,292	-2,766
29371960	100	30,465,266	100	44,483,740					

Table 3: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
SHARES AND VOTING POWER OF MEMBER COUNTRIES

(Countries in order by Actual Votes)

		SHARES		VOTING POWER	
	MEMBER	Amount	Percent of Total	No. of Votes	Percent of Total
1	UNITED STATES	264,969	16.86	265,219	16.40
2	JAPAN	127,000	8.08	127,250	7.87
3	GERMANY	72,399	4.61	72,649	4.49
4	FRANCE	69,397	4.42	69,647	4.31
5	UNITED KINGDOM	69,397	4.42	69,647	4.31
6	CHINA	44,799	2.85	45,049	2.79
7	CANADA	44,795	2.85	45,045	2.79
8	INDIA	44,795	2.85	45,045	2.79
9	ITALY	44,795	2.85	45,045	2.79
10	RUSSIAN FEDERATION	44,795	2.85	45,045	2.79
11	SAUDI ARABIA	44,795	2.85	45,045	2.79
12	NETHERLANDS	35,503	2.26	35,753	2.21
13	BRAZIL	33,287	2.12	33,537	2.07
14	BELGIUM	28,983	1.84	29,233	1.81
15	SPAIN	27,997	1.78	28,247	1.75
16	SWITZERLAND	26,606	1.69	26,856	1.66
17	AUSTRALIA	24,464	1.56	24,714	1.53
18	IRAN, ISLAMIC REPUBLIC OF	23,686	1.51	23,936	1.48
19	VENEZUELA, REP. BOLIVARIANA DE	20,361	1.30	20,611	1.27
20	MEXICO	18,804	1.20	19,054	1.18
21	ARGENTINA	17,911	1.14	18,161	1.12
22	KOREA, REPUBLIC OF	15,817	1.01	16,067	0.99
23	INDONESIA	14,981	0.95	15,231	0.94
24	SWEDEN	14,974	0.95	15,224	0.94
25	SOUTH AFRICA	13,462	0.86	13,712	0.85
26	DENMARK	13,451	0.86	13,701	0.85
27	KUWAIT	13,280	0.85	13,530	0.84
28	NIGERIA	12,655	0.81	12,905	0.80
29	AUSTRIA	11,063	0.70	11,313	0.70
30	POLAND	10,908	0.69	11,158	0.69
31	UKRAINE	10,908	0.69	11,158	0.69
32	NORWAY	9,982	0.64	10,232	0.63
33	PAKISTAN	9,339	0.59	9,589	0.59
34	ALGERIA	9,252	0.59	9,502	0.59
35	FINLAND	8,560	0.55	8,810	0.55
36	TURKEY	8,328	0.53	8,578	0.53
37	MALAYSIA	8,244	0.53	8,494	0.53
38	HUNGARY	8,050	0.51	8,300	0.51
39	LIBYA	7,840	0.50	8,090	0.50
40	NEW ZEALAND	7,236	0.46	7,486	0.46
41	EGYPT, ARAB REPUBLIC OF	7,108	0.45	7,358	0.46
42	CHILE	6,931	0.44	7,181	0.44
43	PHILIPPINES	6,844	0.44	7,094	0.44
44	COLOMBIA	6,352	0.40	6,602	0.41
45	THAILAND	6,349	0.40	6,599	0.41
46	CZECH REPUBLIC	6,308	0.40	6,558	0.41

	MEMBER	SHARES Amount	SHARES Percent of Total	VOTING POWER No. of Votes	VOTING POWER Percent of Total
47	PORTUGAL	5,460	0.35	5,710	0.35
48	PERU	5,331	0.34	5,581	0.35
49	IRELAND	5,271	0.34	5,521	0.34
50	BULGARIA	5,215	0.33	5,465	0.34
51	MOROCCO	4,973	0.32	5,223	0.32
52	BANGLADESH	4,854	0.31	5,104	0.32
53	ISRAEL	4,750	0.30	5,000	0.31
54	ROMANIA	4,011	0.26	4,261	0.26
55	SRI LANKA	3,817	0.24	4,067	0.25
56	ZIMBABWE	3,325	0.21	3,575	0.22
57	BELARUS	3,323	0.21	3,573	0.22
58	SLOVAK REPUBLIC	3,216	0.21	3,466	0.21
59	KAZAKHSTAN	2,985	0.19	3,235	0.20
60	URUGUAY	2,812	0.18	3,062	0.19
61	ZAMBIA	2,810	0.18	3,060	0.19
62	IRAQ	2,808	0.18	3,058	0.19
63	ECUADOR	2,771	0.18	3,021	0.19
64	ANGOLA	2,676	0.17	2,926	0.18
65	TRINIDAD AND TOBAGO	2,664	0.17	2,914	0.18
66	CONGO, DEM. REP. OF	2,643	0.17	2,893	0.18
67	JAMAICA	2,578	0.16	2,828	0.18
68	COTE D'IVOIRE	2,516	0.16	2,766	0.17
69	UZBEKISTAN	2,493	0.16	2,743	0.17
70	MYANMAR	2,484	0.16	2,734	0.17
71	KENYA	2,461	0.16	2,711	0.17
72	UNITED ARAB EMIRATES	2,385	0.15	2,635	0.16
73	BRUNEI DARUSSALAM	2,373	0.15	2,623	0.16
74	CROATIA	2,293	0.15	2,543	0.16
75	YEMEN, REPUBLIC OF	2,212	0.14	2,462	0.15
76	SYRIAN ARAB REPUBLIC	2,202	0.14	2,452	0.15
77	DOMINICAN REPUBLIC	2,092	0.13	2,342	0.15
78	SENEGAL	2,072	0.13	2,322	0.14
79	GUATEMALA	2,001	0.13	2,251	0.14
80	BOLIVIA	1,785	0.11	2,035	0.13
81	GREECE	1,684	0.11	1,934	0.12
82	LUXEMBOURG	1,652	0.11	1,902	0.12
83	AZERBAIJAN	1,646	0.11	1,896	0.12
84	SERBIA AND MONTENEGRO	1,597	0.10	1,847	0.11
85	GEORGIA	1,584	0.10	1,834	0.11
86	OMAN	1,561	0.10	1,811	0.11
87	CAMEROON	1,527	0.10	1,777	0.11
88	GHANA	1,525	0.10	1,775	0.11
89	NAMIBIA	1,523	0.10	1,773	0.11
90	LITHUANIA	1,507	0.10	1,757	0.11
91	CYPRUS	1,461	0.09	1,711	0.11
92	MADAGASCAR	1,422	0.09	1,672	0.10
93	JORDAN	1,388	0.09	1,638	0.10
94	LATVIA	1,384	0.09	1,634	0.10
95	MOLDOVA	1,368	0.09	1,618	0.10
96	TANZANIA	1,295	0.08	1,545	0.10
97	PAPUA NEW GUINEA	1,294	0.08	1,544	0.10

	MEMBER	SHARES Amount	SHARES Percent of Total	VOTING POWER No. of Votes	VOTING POWER Percent of Total
98	GUINEA	1,292	0.08	1,542	0.10
99	SLOVENIA	1,261	0.08	1,511	0.09
100	ICELAND	1,258	0.08	1,508	0.09
101	MAURITIUS	1,242	0.08	1,492	0.09
102	PARAGUAY	1,229	0.08	1,479	0.09
103	MALI	1,162	0.07	1,412	0.09
104	ARMENIA	1,139	0.07	1,389	0.09
105	KYRGYZ REPUBLIC	1,107	0.07	1,357	0.08
106	TOGO	1,105	0.07	1,355	0.08
107	BAHRAIN	1,103	0.07	1,353	0.08
108	QATAR	1,096	0.07	1,346	0.08
109	MALAWI	1,094	0.07	1,344	0.08
110	MALTA	1,074	0.07	1,324	0.08
111	BAHAMAS, THE	1,071	0.07	1,321	0.08
112	HAITI	1,067	0.07	1,317	0.08
113	TAJIKISTAN	1,060	0.07	1,310	0.08
114	GUYANA	1,058	0.07	1,308	0.08
115	RWANDA	1,046	0.07	1,296	0.08
116	FIJI	987	0.06	1,237	0.08
117	GABON	987	0.06	1,237	0.08
118	ETHIOPIA	978	0.06	1,228	0.08
119	NEPAL	968	0.06	1,218	0.08
120	VIETNAM	968	0.06	1,218	0.08
121	BARBADOS	948	0.06	1,198	0.07
122	MOZAMBIQUE	930	0.06	1,180	0.07
123	CONGO, REPUBLIC OF	927	0.06	1,177	0.07
124	ESTONIA	923	0.06	1,173	0.07
125	MAURITANIA	900	0.06	1,150	0.07
126	BENIN	868	0.06	1,118	0.07
127	BURKINA FASO	868	0.06	1,118	0.07
128	CENTRAL AFRICAN REPUBLIC	862	0.06	1,112	0.07
129	CHAD	862	0.06	1,112	0.07
130	NIGER	852	0.05	1,102	0.07
131	SUDAN	850	0.05	1,100	0.07
132	ALBANIA	830	0.05	1,080	0.07
133	TUNISIA	719	0.05	969	0.06
134	SIERRA LEONE	718	0.05	968	0.06
135	BURUNDI	716	0.05	966	0.06
136	EQUATORIAL GUINEA	715	0.05	965	0.06
137	LESOTHO	663	0.04	913	0.06
138	HONDURAS	641	0.04	891	0.06
139	UGANDA	617	0.04	867	0.05
140	BOTSWANA	615	0.04	865	0.05
141	NICARAGUA	608	0.04	858	0.05
142	SAN MARINO	595	0.04	845	0.05
143	ERITREA	593	0.04	843	0.05
144	BELIZE	586	0.04	836	0.05
145	VANUATU	586	0.04	836	0.05
146	DJIBOUTI	559	0.04	809	0.05
147	ST. LUCIA	552	0.04	802	0.05
148	SOMALIA	552	0.04	802	0.05

	MEMBER	SHARES Amount	SHARES Percent of Total	VOTING POWER No. of Votes	VOTING POWER Percent of Total
149	BOSNIA AND HERZEGOVINA	549	0.04	799	0.05
150	GAMBIA, THE	543	0.04	793	0.05
151	GUINEA-BISSAU	540	0.03	790	0.05
152	GRENADA	531	0.03	781	0.05
153	SAMOA	531	0.03	781	0.05
154	TURKMENISTAN	526	0.03	776	0.05
155	ANTIGUA AND BARBUDA	520	0.03	770	0.05
156	TIMOR-LESTE	517	0.03	767	0.05
157	SOLOMON ISLANDS	513	0.03	763	0.05
158	CAPE VERDE	508	0.03	758	0.05
159	DOMINICA	504	0.03	754	0.05
160	SAO TOME AND PRINCIPE	495	0.03	745	0.05
161	TONGA	494	0.03	744	0.05
162	BHUTAN	479	0.03	729	0.05
163	MICRONESIA, FED. STATES OF	479	0.03	729	0.05
164	MALDIVES	469	0.03	719	0.04
165	MARSHALL ISLANDS	469	0.03	719	0.04
166	MONGOLIA	466	0.03	716	0.04
167	KIRIBATI	465	0.03	715	0.04
168	LIBERIA	463	0.03	713	0.04
169	SWAZILAND	440	0.03	690	0.04
170	MACEDONIA, FYR OF	427	0.03	677	0.04
171	SURINAME	412	0.03	662	0.04
172	PANAMA	385	0.03	635	0.04
173	LEBANON	340	0.02	590	0.04
174	SINGAPORE	320	0.02	570	0.04
175	AFGHANISTAN	300	0.02	550	0.03
176	COMOROS	282	0.02	532	0.03
177	ST. VINCENT & THE GRENADINES	278	0.02	528	0.03
178	ST. KITTS AND NEVIS	275	0.02	525	0.03
179	SEYCHELLES	263	0.02	513	0.03
180	COSTA RICA	233	0.02	483	0.03
181	CAMBODIA	214	0.01	464	0.03
182	LAO PEOPLE'S DEM. REP.	178	0.01	428	0.03
183	EL SALVADOR	141	0.01	391	0.02
184	PALAU	16	0.00	266	0.02
	TOTAL	1,571,412	100.00	1,617,412	100.00

Values of .00 indicate less that .005 percent.

Corporate Secretariat
05/15/03

INTERNATIONAL MONETARY FUND

REPORT OF THE EXECUTIVE BOARD TO THE IMFC ON QUOTAS, VOICE AND REPRESENTATION

SEPTEMBER 12, 2003

INTERNATIONAL MONETARY FUND

Report of the Executive Board to the IMFC on Quotas, Voice and Representation

September 12, 2003

1. The resolution concluding the Twelfth General Review of Quotas in January 2003 indicated that the Executive Board intended, during the period of the Thirteenth General Review, "to monitor closely and assess the adequacy of Fund resources, to consider measures to achieve a distribution of quotas that reflects developments in the world economy, and to consider measures to strengthen the governance of the Fund." This status report provides an update on developments in these areas also in response to a request from the International Monetary and Financial Committee.[1] It indicates that Fund liquidity is satisfactory at present; and that quota-related issues will continue to be considered by the Executive Board, also in the context of its regular assessments of the adequacy of Fund resources. The Executive Board is pursuing voice and representation issues on two different tracks—quota-related topics and administrative and capacity-building initiatives.

2. The Executive Board recognizes the importance of the Fund having adequate resources to fulfill its critical responsibilities and accordingly conducts semi-annual reviews of Fund liquidity. At the time of the last review, the Fund's one-year forward commitment capacity (FCC) amounted to SDR 63 billion as of end-July 2003.[2] Most Directors concluded that the Fund's liquidity position is adequate and that the Fund would likely be able to meet the near-term projected needs of its members, even under somewhat unfavorable circumstances. This assessment was based on the assumption of a pick up in global economic activity in the second half of 2003 and an expectation that the near-term demand for Fund resources would be relatively small. Further, should the need arise, the New Arrangements to Borrow/General Arrangements to Borrow (SDR 34 billion) also remain available. However, given the importance of the Fund having adequate resources to fulfill its responsibilities and that difficulties in the world economy are hard to predict, continued close monitoring of the Fund's liquidity position will be important.

3. In a discussion on July 31, 2003, the Executive Board considered quota distribution issues including measures to achieve a distribution of quotas that reflects developments in the

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[1] See *Communiqué of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund*, Press Release No. 03/50, 4/12/03, para. 19.

[2] See *The Fund's Liquidity Position—Review and Outlook*, EBS/03/128, 9/03/03.

world economy.[3] In the meeting, Directors took stock of areas of emerging consensus for new quota formulas and considered certain issues involved in revising and updating the quota formulas. The preliminary results of calculations, using variables that could be included in a new quota formula, were available to the Board. Directors also exchanged views on possible approaches to accomplish broad changes in quotas and voting power, based on lessons from past quota reviews.

4. In considering how best to achieve changes in quota shares that reflect developments in the world economy, Directors observed that significant adjustments in quota shares have tended to take place in the context of general quota increases. Most Directors, therefore, saw considerable merit in a package of measures that would involve—in the context of the next general quota increase:

- a general quota increase with a relatively large selective element allocated by means of a new quota formula;
- ad hoc quota increases aimed at addressing the clearest cases of out-of-lineness; and
- an increase in basic votes specifically aimed at correcting the erosion of the voting power of the smallest members.

In the view of these Directors, such a package may represent the best opportunity to assemble the broad consensus needed for adoption. It was noted, however, that an increase in basic votes would require an amendment of the Articles of Agreement.

5. While most Directors recognized that, in view of the Fund's satisfactory liquidity position, there is no need for a quota increase at present, many Directors underscored the need for continued strong efforts to build a consensus among the membership on the elements of such a package. Many Directors also encouraged continued exploration of the scope for more limited ways of changing quotas, in particular by ad-hoc quota adjustments that would address cases of serious out-of-lineness. Most Directors indicated their willingness to consider an increase in basic votes outside the context of a general quota increase, although it was acknowledged that the required majority does not exist at this stage. Directors called for future work on quota-related topics to include updating the data used to calculate variables and alternative quota formulas, further work on measuring capital flows and financial openness, and the availability of capital account data.

6. Strengthening Fund governance requires a deliberate and sustained effort by the membership as a whole to enhance collaboration and consensus in the formulation and implementation of policies by its governing bodies. While administrative and technical

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[3] The *Acting Chair's Summing Up Quota Distribution—Selected Issues,* BUFF/03/155, 8/22/03 (attached) provides a comprehensive summary of the discussion.

capacities may not be the only, or main, determinants of the voice and representation of developing countries in the decision-making process, such factors can be unnecessarily constraining. Executive Directors have, therefore, continued their examination of measures designed to enhance the capacity of Executive Directors from developing and transition countries to participate effectively in decision making in the Fund and thereby better serve member countries.[4] The first step in this area was taken last April, when the Executive Board agreed that Executive Directors with 20 or more member countries—including the Executive Directors from sub-Saharan Africa—may add three persons to the staff in their offices who contribute to the Executive Directors' analysis of Fund policy and operational issues in preparation for discussions in the Executive Board and with Fund management and staff.

7. Since then, the Executive Directors have advanced their work on proposals in several other areas aimed at enhancing capacity in Executive Directors' offices—in particular, those of developing and transition countries. First, efforts to attract high-quality persons in the offices of Executive Directors will be furthered by the agreement to make available informal voluntary guidelines on the qualifications and duties of persons in those positions. Second, the Executive Directors have agreed that further training for new members of Executive Directors' staff could be provided on a regular basis. In that connection, the IMF Institute is developing a new course focusing on financial programming issues. Third, Executive Directors have examined ways in which new technology could facilitate their close and effective communication with their authorities in capitals. To that end, Executive Directors have asked the staff to increase the number of document series that are available on the Executive Directors' Extranet, a secure vehicle for making electronic versions of Board documents available quickly to authorities in capitals. Executive Directors have also agreed to explore recently available video teleconferencing technology as an additional useful tool for facilitating close contact with their authorities in member countries.

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[4] See *Capacity-Building Measures for the Offices of Executive Directors* (EBAM/03/111, 8/20/03) and Correction 1 (EBAM/03/111, 8/22/03).

The Acting Chair's Summing Up
Quota Distribution—Selected Issues
Executive Board Meeting 03/76
July 31, 2003

Executive Directors welcomed the opportunity to discuss further a number of issues related to the distribution of quotas of Fund members. Building on progress achieved during earlier discussions, the views expressed by the Board today will provide the basis for a status report to the IMFC, in accordance with the resolution of the Board of Governors of January 2003, which concluded the Twelfth General Review of Quotas without an increase in quotas. The resolution noted the Executive Board's intention to monitor closely and assess the adequacy of its resources, to consider measures to achieve a distribution of quotas that reflects developments in the world economy, and to consider measures to strengthen the governance of the Fund.

As part of this work program, Directors discussed how the broad consensus for arriving at new quota formulas might develop going forward, and considered certain issues involved in revising and updating the quota formulas to reflect changes in the world economy and measure more adequately countries' relative positions. They also had a useful exchange of views on possible approaches to accomplish broad changes in quotas and voting power.

Today's discussion confirmed the broad support that has emerged for a formula that is simpler and more transparent than the traditional formulas. The formula would be based on an updating of the traditional economic and financial variables, and comprise at most four variables, including GDP as the most important indicator of countries' economic size, along with measures of openness, variability of current receipts and net capital flows, and reserves. Our discussion also reiterated the various concerns that have been expressed in previous discussions on the inclusion of some of these variables and on different aspects of the quota formulas. Those views and concerns have been reflected in concluding remarks or summings up of the previous discussions.

Directors reviewed the issue of the high correlation among the economic and financial variables in the existing quota formulas as well as among the updated variables. Most Directors saw this correlation as unavoidable, noting that approaches to reducing or eliminating the correlation would entail significant drawbacks, including reduced transparency of the formula. A few Directors nevertheless saw merit in further work to try to reduce the correlation among the variables. Because the variables are correlated, Directors acknowledged that the coefficient attached to each variable cannot be taken to represent each variable's relative economic importance. Directors recalled, in this context, the conclusion of previous discussions that the precise choice of weights will ultimately require the Executive Board to exercise judgment regarding an outcome that could command wide support.

Directors had a further discussion on options to modernize the quota formulas by including measures of capital flows. Many Directors continued to support including a measure of the variability of net capital flows and current receipts, to reflect countries' balance of payments vulnerability in the quota formulas. Directors also discussed possible approaches to introducing an outcome-based indicator of financial openness in the quota formula. A few Directors expressed interest in using a measure of capital flows, and a number of other Directors encouraged further efforts towards the inclusion of a stock variable capturing the asset and liability positions of a member. It was widely recognized, however, that, at present, such a variable cannot yet be operationalized due to lack of data for many members.

Directors noted that preliminary results of calculated quotas, using variables broadly endorsed for including in a new quota formula, would not lead to a significant change in calculated quota shares across country groups. However, they underscored that a new quota formula would make a significant difference in measuring the out-of-lineness of the quotas of individual countries. Many Directors also observed that, for a number of countries, actual quota shares are considerably lower than calculated quota shares, almost regardless of specific formulas, whereas the opposite appears to be true for many other countries. A number of Directors considered that these outcomes underscore the need for a political decision by the membership to secure quota shares that would strengthen the representation of developing countries in the Fund. A number of other Directors cautioned that changes in quota distribution should not target an a priori distribution between groups of countries. A few Directors expressed interest in the suggestion that a subgroup of members could voluntarily accept to transfer quota shares to other members. A few other Directors called for a better representation of transition countries in the Fund.

In discussing how best to move forward toward achieving adjustments in quota shares, Directors recognized the potential benefits that a package of changes in quotas, based on a new quota formula, could confer. They observed that significant adjustments in quota shares have tended to take place in the context of general quota increases, given the opportunity that general quota increases have provided to include elements that benefit the membership as a whole. Most Directors therefore saw considerable merit in a package that would involve—in the context of the next general quota increase—the following elements: a general increase with a relatively large selective element allocated by means of a new quota formula; ad hoc quota increases aimed at addressing the clearest cases of out-of-lineness; and an increase in basic votes specifically aimed at correcting the erosion of the voting power of the smallest members. It was noted, however, that an increase in basic votes would require an amendment of the Articles of Agreement.

Most Directors recognized that, in view of the Fund's satisfactory liquidity position, there is no need for a quota increase at present. Noting that changes in the world economy are hard to predict, many Directors nevertheless underscored the need for continued strong efforts to build a consensus among the membership on the elements of a package, including on a new, improved quota formula. Many Directors also encouraged continued exploration of the scope for more limited ways of changing quotas, in particular by ad-hoc quota adjustments that would address cases of serious out-of-lineness. Most Directors indicated their willingness to consider an increase in basic votes outside the context of a general quota increase, as a direct means of responding to calls for enhancing the voice of developing countries, in particular of the smallest members, although it was acknowledged that, at this stage, the required majority does not exist.

Directors supported the proposal that future work by the staff on quota related topics include updating the data used to calculate variables and alternative quota formulas. Many Directors also saw a need for further work on measuring capital flows and financial openness and more generally the availability of capital account data that could be used to capture these concepts.

Directors recognized the importance of the Fund having adequate resources to fulfill its critical responsibilities. In this regard, the most recent review of the Fund's liquidity position in April 2003 concluded that the Fund's current and prospective position is adequate. They urged the staff to continue to monitor and assess the adequacy of Fund resources through periodic liquidity reviews.