# GOVERNANCE IN BRETTON WOODS INSTITUTIONS

**by Gil S. Beltran for**

**The G24 Research Program**

**XX G24 Technical Group Meeting, Manila, March 17-18, 2005**

# GOVERNANCE IN BRETTON WOODS INSTITUTIONS

By Gil S. Beltran[1]

## Summary

Enhancing governance is the smoothest road to success. Institutions, including the Bretton Wood institutions (BWIs), work most effectively and achieve the best development outcomes under conditions where stakeholders participate actively in shaping the policies that will determine their status and their future.

Improving the ownership structure in the BWIs so that member-countries acquire voice in accordance with their economic size and needs will help boost not only the effective operations of these institutions but also the development outcomes that arise therefrom.

Unfortunately, existing formulas used by the BWIs are biased against developing countries and countries with economies in transition. All the variables in the quota and share formulas measure supply determinants, which therefore are partial to higher-income countries, rather than demand factors which better reflect the needs of developing countries. Thus, the voice of higher-income countries remains dominant in BWIs and that of developing countries and economies transition remains weak.

The best way to achieve improved governance is to reform the quota and share formulas of the BWIs by replacing gross national income (GNI) at market exchange rates with GNI valued at purchasing power parity (PPP). To facilitate the negotiating process, it is advisable to adopt the status quo on the quotas and shares of countries that will go down based on the new formula. This will continue to encourage countries to contribute resources to the International Development Association (IDA) and other windows and facilities intended for support to special groups of developing countries. This will also maintain smooth relations and cement alliances between the G-24 and the oil-producing countries particularly, Saudi Arabia and Kuwait.

Likewise, if the negotiations are such that developed countries want to include supply variables that would tend to reduce the calculated quotas and shares of developing countries, developing countries should insist that demand variables should also be included. Demand variables include population, poverty index and the level of external debt.

The quotas and shares of the BWIs should expand with the size of the risks that they hope to cover. Projected data show that in 2004, global production valued at PPP, trade and capital flows are estimated to have risen, on average, by 20% and 30% more than

[1] Finance Assistant Secretary of the Philippines

their total quotas and capital shares, respectively, since 1995 and 1999.[2] The year1999 is the year after the Asian crisis when the BWIs answered to the call to help Asian countries recover from the crisis and BWIs' resources peaked as a result. At this time, BWIs are deemed to be in their best financial situation. There should be an adjustment in total quotas and shares equivalent to the growth in world production, trade and capital flows to make sure that the BWIs are ready to cope with any negative situation that may occur in a more interdependent and contagion-prone world.

The size of basic votes relative to total votes should be restored to their original (11.3% for the IMF and 10.87% for the World Bank) share of total votes when the BWIs were created. Enhancing the voice of small countries in the BWIs will enable them to participate more actively in the formulation of policies that will offset their natural, physical and economic disadvantages.

More active participation by developing countries and countries with transition economies in the decisions that affect their futures and the improved capability of BWIs in coping with their functions of enhancing poverty reduction will facilitate the achievement of the MDGs and enhance solidarity among countries. .

Governance

In any institution, the quality of governance is the key to success. Good governance is the key to positive development outcomes. A World Bank (WB) study goes further---Good governance is a development objective in and of itself. [3]

These principles are true not only for countries but for international financial institutions as well, particularly, the BWIs. Enhanced participation by stakeholders in the decision-making of the BWIs improves the quality of decisions and therefore, leads to better output. In a virtuous cycle, a better relationship between stakeholders further enhances the quality of output.

Unfortunately, in the BWIs, governance continues to be tilted toward a group of countries described as high-income, non-borrowers, and donors. The major reason for this is that the formulas adopted to determine quota shares in the International Monetary Fund (IMF) and the capital shares in the WB are biased in favor of these countries. The low and middle incomes countries which are borrowers from the BWIs continue to be marginalized in decision-making as the high-income countries account for a majority in the BWIs' voting power.

On 18-22 March 2002, the United Nations (UN) sponsored an International Conference on Financing for Development which was attended by 50 heads of state,

[2] Data for 2004 are not yet available. These ratios are computed based on advanced estimates of GNI-PPP and trade in goods and services by the IMF, and capital flows projections of the author using a time-trend model. It is advisable that the G-24 updates these data before finalizing its negotiating position.

[3]World Bank, "Factoring Governance"*, OED Report*, pp. 1-3.

more than 200 ministers, and representatives from civil society and major international governmental organizations from all over the world. [4] The conference adopted measures to address the challenges for financing development. In its report now referred to as the Monterrey Consensus, the conference participants committed themselves to sound policies, good governance at all levels and the rule of law and stressed the need to broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting. They called on the IMF and the World Bank to adopt innovative ways to enhance participation of developing countries and countries with economies in transition in their decision-making and thereby strengthen international dialogue and the work of these institutions as they address the development needs and concerns of these countries.

In the spring of 2003, the Development Committee repeated this recommendation.. The Development Committee specifically recommended "increasing developing countries' IMF quota and IBRD capital shares" and "increasing the number of basic votes". [5]

By the fall of 2004, no action was taken to reform the allocation of BWIs' voting power. As a result, the Ministers of the G24, in their Communique of October 1, 2004, declared that "enhancing the representation of developing countries requires a new quota formula to reflect the relative size of developing country economies."

They also said that: "The formula should be simplified to give greater weight to measures of gross domestic product in terms of purchasing power parity, and take into account the vulnerabilities of developing countries to movements in commodity prices, the volatility of capital movements and other exogenous shocks. In addition, basic votes should be substantially increased to restore their original role in relation to total voting power and to strengthen the voice of small countries." They expressed concern that the updated quota calculations contained in the report to IMFC and DC continue to understate the role of developing countries in the world economy and run counter to the good governance, legitimacy and best interests of the Bretton Woods institutions." [6]

In the same spirit, the Chair of the Deputies of G24 asked that the G24 Secretariat center its research efforts over the coming months on governance issues, such as the design of a new, simplified quota formula to properly reflect the relative size of developing country economies, the need to increase basic votes as well as other important issues.

This paper will review the quota formula and the voting shares of the IMF and IBRD and study various options to revise them. This will then be used as input in the

[4] UN, "Monterrey Consensus", 18-22 March 2002, pp. 12-14.
[5] Development Committee, 2003.
[6] G24, Communique of the Ministers of the G24, October 1, 2004.

G24 discussions in the effort to arrive at a common position acceptable to developing countries and countries with economies in transition.

The IMF Quota

A country member's quota determines its subscription payments, voting power, access to financing, and SDR allocations. An IMF quota review takes place every five years by the IMF Board of Directors. Since its establishment, the IMF has undergone 12 quota reviews.

The IMF has a total quota of SDR212.8 billion or US$318.3 billion. As of end-June 2004, this is equivalent to 0.79% of world GNI, 1.48% of world trade and 1.09% of world trade and capital flows. These ratios are equivalent to 81.2%, 71.0% and 80.1% of 1999 levels. As of today, using advanced estimates for 2004, the IMF's total resources are about 20% lower than the size of risks that they hope to cover compared with 1999. Compared with 1995 levels, the three ratios are 105.69%, 85.7% and 62.9% of 1995 levels, respectively. While the ratio to GNI has improved, the ratios to world trade and capital flows have shrunk by as much as 25.7%. (Table 1)

The size of a member's quota is broadly determined by a member's economic position relative to other members. Economic position is measured by GNI at market prices, level of reserves, and current account transactions.

From the eight to the eleventh reviews, the following formulas were used:

Bretton Woods: $Q1 = (0.01\ Y + 0.025\ R + 0.05\ P + 0.2276 VC)\ (1+C/Y)$;
Scheme III: $Q2 = (0.0065Y + 0.0205125\ R + 0.078P + 0.4052\ VC)\ (1+C/Y)$;
Scheme IV: $Q3 = (0.0045Y + 0.03896768\ R + 0.07P + 0.76976\ VC)\ (1+C/Y)$;
Scheme M4: $Q4 = 0.005Y + 0.042280464\ R + 0.044\ (P+C) + 0.8352\ VC$ ;
Scheme M7 : $Q5 = 0.0045\ Y + 0.05281008\ R + 0.039\ (P+C) + 1.0432\ VC$ ;

where :

Q1, Q2, Q3, Q4 and Q5= calculated quotas for each formula;
Y = GDP at current market prices for a recent year;
R = twelve-month average of gold, foreign exchange reserves, SDR holdings and reserve positions in the IMF, for a recent year;
P = annual average of current payments (goods, services, income, and private transfers) for a recent five-year period;
C = annual average of current receipts (goods, services, income, and private transfers) for a recent five-year period; and

VC = variability of current receipts, defined as one standard deviation from the centered five-year moving average, for a recent 13-year period.[7]

Table 1. IMF Quotas and World Indicators

| | IMF Quotas US$B | % of World GNI | % of World Trade Flows | % of World Trade & Capital Flows | Average Ratios |
|---|---|---|---|---|---|
| 1995 | 216.5 | 0.75% | 1.73% | 1.41% | |
| 1999 | 292.0 | 0.97% | 2.09% | 1.36% | |
| 2000 | 277.2 | 0.89% | 1.77% | 1.12% | |
| 2001 | 267.4 | 0.85% | 1.77% | 1.22% | |
| 2002 | 289.2 | 0.91% | 1.81% | 1.27% | |
| 2003 | 303.9 | 0.84% | 1.66% | 1.19% | |
| 2004* | 318.3 | 0.79% | 1.48% | 1.09% | |
| Ratio of 2004/1999 | | 81.20% | 71.00% | 80.12% | 77.44% |
| Ratio of 2004/1995 | | 105.69% | 85.70% | 77.07% | 89.49% |

Sources: IMF Annual Reports,

World Development Indicators

*IMF projections except capital flows which were estimated by author using a time-trend model

For each of the four non-Bretton Woods formulas, quota calculations are multiplied by an adjustment factor so that the sum of the calculations across members equals that derived from the Bretton Woods formula. The calculated quota of a member is the higher of the Bretton Woods calculation and the average of the lowest two of the remaining four calculations (after adjustment).

In addition to the quota level arrived at using these formulas, each country member is given a basic vote of 250 votes in these institutions. Basic votes accounted for 11.3% and 10.87% of total IMF quotas and total IBRD capital shares, respectively, at the time of establishment. [8] The basic vote has remained unchanged since then and its ratio to total votes has shrunk to 2.11% and 2.8%, respectively.

[7] This section draws from the IMF website which has a fact sheet on IMF Quotas and IMF documents. "Quotas---Updated Calculations", August 27, 2004 and "Alternative Quota Formulas---Further Considerations", May 3, 2002.

[8] Interview with officials of the Board Information Services/Memberships and Subscriptions, Corporate Secretariat of the World Bank, November 5-10, 2004.

Based on these formulas, the developed countries account for 63.4% of the total IMF quota while developing countries account for 36.6%. (refer to Table 3)

The World Bank Capital Share Allocation

The World Bank capital share is the same as the IMF quota.

Total capital shares (or equity) of the WB as of end-June 2004 was US$35.5 billion. This is equivalent to 0.09% of world GNI, 0.16% of world trade and 0.11% of world trade and capital flows. Compared to levels five years ago (1999), the ratios are 94.2%, 82.4% and 92.3%, respectively. Averaging the three ratios, the World Bank's capital is about 10% less its level five years ago and 31% of its level ten years ago. (Table 2)

Traditionally, the increase in the capital shares of the WB follows the adjustments in the IMF quotas. A review of the WB capital shares allocation is done after an IMF quota review. However, in some years, the WB did not match the changes made in the IMF quotas. For example, in 1985, the WB only matched a half of the quota increases under the Eighth Quota Review because the WB had no need for additional capital. Some WB members have also exercised their pre-emptive rights under the Articles of Agreement to maintain their share of the Bank's capital. Some members have not subscribed to all the shares allocated to them. Special capital increases were also given to some countries in some years to encourage them to contribute more funds to IDA.[9]

As explained in the previous section, in addition to the capital share which is equal to a vote for every US$100 contributed, each country has a basic vote of 250.

Table 2. IBRD Equity and World Indicators

| | IBRD Equity | % of world GNI | % of World Trade Flows | % of World Trade & capital Flows | Average Ratios |
|---|---|---|---|---|---|
| 1995 | 30.5 | 0.11% | 0.24% | 0.24% | |
| 1999 | 28.0 | 0.09% | 0.20% | 0.12% | |
| 2000 | 29.3 | 0.09% | 0.19% | 0.11% | |
| 2001 | 29.6 | 0.09% | 0.20% | 0.13% | |
| 2002 | 32.3 | 0.10% | 0.20% | 0.13% | |
| 2003 | 37.9 | 0.10% | 0.21% | 0.14% | |
| 2004* | 35.5 | 0.09% | 0.16% | 0.11% | |

[9] World Bank, "Progress Report---Ad Hoc Committee on Criteria for Allocation of Shares of Bank Capital", October 22, 1990.

| | | | | |
|---|---|---|---|---|
| Ratio of 2004/1999 | 94.28% | 82.43% | 92.34% | 89.68% |
| Ratio of 2004/1995 | 83.70% | 67.87% | 45.49% | 65.69% |

Sources: IMF Annual Reports
World Development Indicators

*/ IMF Projections except for capital flows which were estimated by author using a time-trend model.

As a result of these changes plus the basic votes, the developed countries account for 60% of the voting power while developing countries account for 40%.[10] The share of developing countries in the Bank's capital is slightly higher than their share of IMF quotas.

Table 3-A. IMF Quotas, 2004

| | IMF Quotas | Votes | Membership Votes | Total Votes | % Share |
|---|---|---|---|---|---|
| Total | 213,181 | 2,131,807 | 46,000 | 2,177,807 | 100.0% |
| Developed Countries | 136,802 | 1,368,016 | 8,750 | 1,376,766 | 63.2% |
| USA | 37,149 | 371,493 | 250 | 371,743 | 17.1% |
| European Union | 64,042 | 640,418 | 3,750 | 644,168 | 29.6% |
| Others | 35,611 | 356,105 | 4,750 | 360,855 | 16.6% |
| Developing Countries | 76,379 | 763,791 | 37,250 | 801,041 | 36.8% |
| Asia | 19,437 | 194,371 | 7,500 | 201,871 | 9.3% |
| Africa | 9,267 | 92,671 | 11,750 | 104,421 | 4.8% |
| LAC | 15,804 | 158,036 | 7,750 | 165,786 | 7.6% |
| MENA | 14,973 | 149,725 | 3,250 | 152,975 | 7.0% |
| ECA | 16,899 | 168,988 | 7,000 | 175,988 | 8.1% |

Source: IMFDocuments

In practice, while the BWIs rely on detailed computations prior to decisions on quotas and capital shares, changes based on calculations are not followed to the decimal point. First, some countries, for reasons of their own, refuse to take up their shares. Second, changes made since their establishment have focused on the increases rather than on reductions. The BWIs declare increases for countries where the divergence between actual shares and calculations are wide. There have been no actual cases of reductions in quotas and shares arising from declines in calculated quotas and shares.[11] The reason

[10] World Bank, "IBRD Share Allocation Issues", December 2004."
[11] Interview with officials of the Board Information Services/Memberships and Subscriptions, Corporate Secretariat of the World Bank, November 5-10, 2004.

for this is that capital decreases are considered too messy, complex and time-consuming. [12] The valuation of shares to be unloaded is a problem because no market exists for IMF quotas and IBRD shares.

Table 3B. IBRD Capital Shares, 2004

| | IBRD Capital Shares | Membership Votes | Total Votes | % Share |
|---|---|---|---|---|
| Total | 1,571,411 | 46,000 | 1,617,411 | 100.0% |
| Developed Countries | 962,408 | 8,750 | 971,158 | 60.0% |
| USA | 264,969 | 250 | 265,219 | 16.4% |
| European Union | 410,586 | 3,750 | 414,336 | 25.6% |
| Others | 286,853 | 4,750 | 291,603 | 18.0% |
| Developing Countries | 609,003 | 37,250 | 646,253 | 40.0% |
| Asia | 158,141 | 7,500 | 165,641 | 10.2% |
| Africa | 76,777 | 11,750 | 88,527 | 5.5% |
| LAC | 135,648 | 7,750 | 143,398 | 8.9% |
| MENA | 108,883 | 3,250 | 112,133 | 6.9% |
| ECA | 129,554 | 7,000 | 136,554 | 8.4% |

Source: IMF& IBRD Documents

## Variables Used in Quota and IBRD Share Allocation

Four variables dominate the current formulas used in quota and share allocations. These are:

a) GNI at market prices;
b) Current transactions which are the sum of current receipts and current payments in the balance-of-payments account;
c) Reserves; and
d) Variability of current receipts plus net capital flows.

From the documents in the IMF and IBRD, one could infer that these variables are intended to be determinants of both or either supply and demand. Supply refers to capability to contribute to the finances of the institutions while demand refers to size of need for these institutions' services. GNI, current transactions and reserves are both supply and demand factors while variability is a demand factor.

[12] World Bank, September 21, 2004, Attachment 1.

There is another view, however, that the choice of these variables had no logical basis at all and was decided by the major shareholders as a way to maintain their dominance in these institutions. Likewise, the weights used for each variable are very subjective and not explained in any official document. They were arbitrarily set.

GNI at market prices

Traditionally, GNI at market prices is used to measure the size of economies and their potential to use resources from and contribute resources to the IMF and the WB. To smooth the impact of exchange rate fluctuations, a 3-year or 5-year average is used.[13] Using data ending in 1999, the broad country group results using either average showed identical outcomes. Individual country data are more pronounced, however, depending on GDP growth. Countries which have higher GDP growth had higher shares relative to countries which grew more slowly.

The use of market exchange rates to convert GNI to a common currency, the US dollar tends to understate the levels for developing countries. Exchange rates reflect only the value of tradable goods and services and they under-estimate the value of non-tradable goods and services which account for a substantial bulk of the economies of developing countries. Thus, GNI or GDP valued at market exchange rates undervalues production in developing countries and unduly reduces the size of developing economies.

As expected, GNI at market prices using a 3-year average is dominated by developed countries that account for 80.7% of total world production during the period 2000 to 2002.[14]

Current Account transactions

This variable is a measure of economic openness or the level of integration with the world economy. The sum of current receipts and current payments indicates the resources generated in a country from transactions with the rest of the world and of the amount of resources devoted to the consumption of goods and services created elsewhere. Thus, both receipts and payments have a direct bearing on the supply side and demand side of quotas.

When this issue was discussed in the IMF, the IMF directors wanted to broaden the coverage to include capital transactions but they were constrained by data availability problems. Some directors also expressed concern about the correlation of openness with other variables and also about the treatment of trade within currency unions.

[13] Based on IMF documents, IMF directors were split on whether to use 3-year or 5-year average.

[14] Using data from World Bank, ***World Development Indicators***, 2002-2004.

The weakness of this variable is that while it is a good measure of supply, it is not an efficient determinant of demand. A high level of transactions does not necessarily imply greater susceptibility to downturns. As the data indicate, the developed countries with a higher level of transactions are less vulnerable to exogenous shocks and have better access to international capital markets.

In many cases, developing countries have data collection problems. Nine (9) developing countries do not have merchandise trade figures while only 2 small high-income countries do not. Likewise, many developing countries only track a portion of actual flows. Many transactions are illegally or informally conducted. Likewise, 31 developing countries have incomplete services trade figures. Thirty-seven have no capital flow statistics. [15]

Current transactions for 1997 to 2002 are dominated by developed countries which account for 76.2% of world total.[16]

Merchandise trade

Merchandise trade flows is a subset of current transactions. This refers to trade in goods. This is a good measure of a country's economic power. It is also a good indicator of funding risks that countries face. .

As indicated earlier, many developing countries have incomplete merchandise trade figures. Even those which have figures are subject to underrecording by market players to evade taxes, deposit requirements, skirt around foreign exchange controls, etc. Others are due to statistical inadequacies and weak statistical agencies. IMF data show that developed countries show higher figures in their trade with developing countries than the developing countries themselves report. Sixty-seven (67) developing countries had trade data higher based on trading partner data. The average upward adjustment for these countries is 16.6%.

As a result, merchandise trade is heavily in developed countries' favor. Developed countries' trade in goods and services account for 74.4% of world total.

[15] World Bank, *World Development Indicators*, 2002-2004 and IMF*, Direction of Trade Statistics Yearbook*, 2002-2004.

[16] Using IMF documents.

Table 4. Country Group Shares in World Trade in Goods and Services

| | Trade in Goods & Services 2000-02 | Merchandise Trade 2000-02 | Commercial Service Trade 2000-02 |
|---|---|---|---|
| | % Share | | |
| Total | 100.00% | 100.00% | 100.00% |
| Developed Countries | 75.31% | 74.41% | 79.87% |
| USA | 15.62% | 15.81% | 16.57% |
| European Union | 32.09% | 31.56% | 34.54% |
| Others | 27.60% | 27.03% | 28.75% |
| Developing Countries | 24.69% | 25.59% | 20.13% |
| Asia | 9.58% | 9.72% | 7.98% |
| Africa | 1.36% | 1.43% | 1.15% |
| LAC | 5.32% | 5.86% | 4.09% |
| MENA | 2.86% | 3.14% | 1.81% |
| ECA | 5.56% | 5.44% | 5.11% |

Sources: IBRD & IMF documents

Trade in Services

Commercial service trade is added to merchandise trade to get a more complete picture of trade among countries. This provides a more accurate picture of the balance-of-payments risks that a country is exposed to than merchandise trade. As explained earlier, there are measurement problems in developing countries. There are no data for 31 developing countries. This variable further tilts the balance in favor of developed countries, accounting for 79.9% of world total.

Thus, adding both merchandise trade and commercial service trade, developed countries' account for 75.3% of world total. (Table 4)

The variability of current receipts and net capital flows

According to the IMF, this variability measure captures the vulnerability of countries to balance-of-payments shocks and would therefore indicate the need for IMF resources. The IMF directors agreed that variability should be specified as a 3-year average to smooth trends while capturing the fluctuations in capital flows.

This variability measure has weaknesses. Standard deviations do not distinguish between upward trends and volatile movements around a trend. A higher starting level overstates the deviation from the mean. Statistically, current receipts and the variability of current receipts have a correlation ratio of 99.8% or almost close to unity. This implies that this measure does not capture the level of volatility. Two similar-sized countries with one that has levels going up and down and another that is steadily rising could come out with comparable levels based on this formula. This variable also fails to capture the size of the variability relative to the whole economy. The same absolute variability level does not affect two countries equally.

Net capital flows do not indicate the fluctuations that occur in gross inflows and gross outflows. Further, gross flows are not adequately tracked in developing countries since many of the flows do not pass through formal channels and, therefore, are not adequately recorded. As in current transactions, this variable may be a good supply indicator but is an inefficient demand indicator.

The average of this variable for 1999 to 2002 is dominated by developed countries, accounting for 68% of world total.

Reserves

Reserves are used as a measure of financial strength and IMF directors saw the need to retain this variable as consistent with the emphasis on reserve adequacy. However, some directors said that this should be excluded because for many members with access to capital markets, reserves have declined in importance.

The stock of reserves may be a good supply indicator but it is an inefficient indicator of demand. Developing countries with low reserves have greater need for funding. However, a country with low reserves (relative to other developed countries) such as the United States does not need to borrow from the IMF. The US has a reserve currency and can issue debt in its own currency. The US also has a good credit rating and could easily tap the international markets.

Reserves are dominated by developed countries; they account for 56.8% of world total. (Table 5)

Table 5. COUNTRY GROUP SHARES IN VARIABLES USED BY THE IMF IN QUOTA FORMULAS COMPARED WITH SHARES IN GNI AND BWI VOTES

| | IBRD Votes | IMF Votes | GNI Average $B 2000-02 | Reserves 2002 12-mo average | Current Transactions | Variability of Current Receipts plus Net Capital Flows |
|---|---|---|---|---|---|---|
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Developed Countries | 60.0% | 63.4% | 80.7% | 56.8% | 76.2% | 68.0% |
| USA | 16.4% | 17.1% | 31.9% | 3.6% | 16.5% | 20.8% |
| European Union | 25.6% | 29.6% | 21.3% | 11.8% | 31.4% | 22.3% |
| Others | 18.0% | 16.6% | 27.4% | 41.4% | 28.3% | 24.9% |
| Developing Countries | 40.0% | 36.6% | 19.3% | 43.2% | 23.8% | 32.0% |
| Asia | 10.2% | 9.3% | 7.2% | 21.3% | 9.9% | 8.0% |
| Africa | 5.5% | 4.6% | 1.0% | 1.8% | 1.4% | 3.0% |
| LAC | 8.9% | 7.6% | 5.9% | 7.6% | 5.2% | 7.4% |
| MENA | 6.9% | 7.0% | 2.0% | 4.6% | 2.3% | 4.3% |
| ECA | 8.4% | 8.1% | 3.2% | 8.0% | 5.0% | 9.4% |

Source: IMF documents

## Alternative Variables

Other variables which would result in a higher quota better allocation for developing countries that have been proposed include:

a) GNI at purchasing-power parity (GNI-PPP);
b) Population;
c) Poverty index; [17]
d) External debt;
e) Current transactions adjusted for European intra-union transactions; and
f) Merchandise trade adjusted using trading partners' data.

GNI-PPP, adjusted merchandise trade and population are both supply and demand indicators while poverty index and external debt are demand indicators.

[17] These are variables proposed by developing countries, in Van Houtven, p 7.

GNI-PPP

GNI valued at PPP is considered a better measure of economic size than GNI at market prices. PPP removes the bias against non-tradable goods and services in the use of market exchange rates. More recent figures substantially increase the GDP of developing countries measured in PPP terms.[18]

GNI-PPP reduces the share of developed countries to 56.6% and increases that of developing countries to 43.4%. All developing country groups benefit from the improvement. Individually, only five developing countries (Republic of the Congo, Cape Verde, Liberia, Libya and Serbia and Montenegro) have shares declining slightly as a result of the shift. (Table 6)

Calculated shares show an improvement for the share of Africa if GNI-PPP is used. However, under GNI and GNI-PPP, Africa's share languishes at 1.0% and 2.5%, respectively. These are much lower than their shares in actual quotas and shares. This is also true for MENA and ECA. An increase in basic votes or the adoption of other variables is needed to offset the disadvantages inherent in small, low-income countries including the variability of exports due to commodity shocks..

Table 6. COUNTRY GROUP SHARES IN GNI AND GNI-PPP COMPARED WITH SHARES IN ACTUAL BWI VOTES

| | IBRD Votes | IMF Votes | GNI Average $B 2000-02 | GNI-PPP Average $B 2000-02 |
|---|---|---|---|---|
| Total | 100.0% | 100.0% | 100.0% | 100.0% |
| Developed Countries | 60.0% | 63.2% | 80.7% | 56.6% |
| USA | 16.4% | 17.1% | 31.9% | 22.0% |
| European Union | 20.6% | 23.8% | 21.3% | 16.6% |
| Others | 23.0% | 22.3% | 27.4% | 18.0% |
| Developing Countries | 40.0% | 36.8% | 19.3% | 43.4% |
| Asia | 10.2% | 9.3% | 7.2% | 22.9% |
| Africa | 5.5% | 4.8% | 1.0% | 2.5% |
| LAC | 8.9% | 7.6% | 5.9% | 8.0% |
| MENA | 6.9% | 7.0% | 2.0% | 3.2% |
| ECA | 8.4% | 8.1% | 3.2% | 6.9% |

Sources: IMF, Annual Report, IBRD, Annual Report and IBRD, World Development Indicators

[18] IMF, *World Economic Outlook*, 2005.

Population

The use of population as a variable emphasizes the primacy of human resources in development efforts. It puts full meaning to ownership in BWIs' governance and to people's participation in decision-making as a development goal in itself. If countries attain the MDGs and human resources are adequately utilized and developed, this is the best indicator of supply and demand.

Despite these advantages, this variable has never been considered in any simulation by the IMF or the IBRD.

The use of this variable increases the share of developing countries to 81.1% while reducing developed countries' share to 18.9%. Africa and Asia benefit most strongly while LAC, MENA and ECA experience declines in share below existing quotas and WB shares. (Table 7)

Table 7. COUNTRY GROUP SHARES IN POPULATION-RELATED VARIABLES & BASIC VOTES COMPARED WITH SHARES IN ACTUAL BWI VOTES

| | IBRD Votes | IMF Votes | Population 2002 | Poverty Def 1 a/ | Incidence Def 2 | Basic Votes 2002 |
|---|---|---|---|---|---|---|
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Developed Countries | 60.04% | 63.22% | 15.16% | 0.04% | 0.03% | 19.02% |
| USA | 16.40% | 17.07% | 4.70% | 0.00% | 0.00% | 0.54% |
| European Union | 20.62% | 23.83% | 4.97% | 0.00% | 0.00% | 6.52% |
| Others | 23.03% | 22.32% | 5.49% | 0.04% | 0.03% | 11.96% |
| Developing Countries | 39.96% | 36.78% | 84.84% | 99.96% | 99.97% | 80.98% |
| Asia | 10.24% | 9.27% | 52.55% | 66.50% | 71.07% | 16.30% |
| Africa | 5.47% | 4.79% | 11.24% | 25.83% | 18.09% | 25.54% |
| LAC | 8.87% | 7.61% | 8.39% | 4.84% | 4.77% | 16.85% |
| MENA | 6.93% | 7.02% | 4.93% | 0.77% | 2.12% | 7.07% |
| ECA | 8.44% | 8.08% | 7.73% | 2.02% | 3.92% | 15.22% |

Sources: IBRD & IMF documents

Poverty index

Poverty reduction is a basic objective of the BWIs. Including the poverty index in the quota calculation puts primacy on the demand requirements of development. Two alternative definitions of poverty incidence are used---population earning below income US$2 per day (Definition 2) and population earning below US$1 per day (Definition 1). The latest World Bank figures are used and applied to 2002 population figures. For countries without data, the country closest to them in terms of GNP per capita are used as proxy.

Developing countries have almost 100% of total world share of poverty. As expected, Asia accounts for highest share at 66.5% and 71.1% using Definition 2 and Definition 1, respectively. Africa also benefits significantly with shares of 25.8% and 18.1%, respectively. LAC, MENA and ECA suffer declines.

Adjusted current account transactions

Two separate adjustments are needed for current account transactions between countries using a single currency and another using the data of trading partners.

Current account transactions adjusted for intra-EU transactions and adjustments using the trade statistics of trading partners give a more accurate figure of current account transactions. Intra-EU transactions are made by countries within the same economic borders using a uniform currency and utilize inputs purchased within and selling to a single market. [19] Thus, they are not subject to exchange and market risks that other transactions are subject to. Intra-economic zone transactions also reduce the financing risks of member-countries. This adjusted variable is a better indicator of demand than the unadjusted variable. Secondly, adjustments using the data provided by their trading partners provide higher trade figures for developing countries due to statistical agency weaknesses in developing countries.

However, no intra-EU transactions by country are available for commercial services trade. Thus, this computation use .unadjusted figures for commercial service trade.

With this partial adjustment, the share of developed countries drops from 75.3% to 67.3% while that of developing countries rises from 25.7% to 32.7%. All developing country groups benefit from the use of this adjusted variable. However, the calculated shares of MENA, ECA and Africa are still lower than their actual shares in IMF votes.

[19] Ariel Buira, "Should Governance in the IMF Be Reformed?", Post Washington Consensus Task Force, June 10, 2003.

Table 8. Country Group Shares in Adjusted Trade in Goods and Services

| | IBRD Votes | IMF Votes | Trade in Goods & Services 2000-02 | Adjusted Trade in Goods & Services 2000-02 |
|---|---|---|---|---|
| Total | 100.0% | 100.0% | 100.00% | 100.00% |
| Developed Countries | 60.0% | 63.2% | 75.31% | 67.30% |
| USA | 16.4% | 17.1% | 15.62% | 19.39% |
| European Union | 20.6% | 23.8% | 32.09% | 19.26% |
| Others | 23.0% | 22.3% | 27.60% | 28.65% |
| Developing Countries | 40.0% | 36.8% | 24.69% | 32.70% |
| Asia | 10.2% | 9.3% | 9.58% | 13.86% |
| Africa | 5.5% | 4.8% | 1.36% | 1.96% |
| LAC | 8.9% | 7.6% | 5.32% | 7.60% |
| MENA | 6.9% | 7.0% | 2.86% | 4.00% |
| ECA | 8.4% | 8.1% | 5.56% | 5.26% |

Sources: IBRD & IMF documents

External debt

The use of external debt as variable gives the best picture of funding need next to population-related variables. Countries with high debt levels are prone to exogenous shocks and are the most frequent borrowers from the BWIs.

The problem with the use of this variable is the difficulty by highly indebted countries to raise the funds to pay for quota shares. The problem of moral hazard also emerges.

Two measures of external debt are used but they bring similar results. The first is nominal debt in US dollars. The second is present value of debt in US dollars.

All developing country groups benefit except for MENA whose shares at 6.4% or 6.5% are below their actual IMF quota shares. (Table 9)

Table 9. COUNTRY GROUP SHARES IN EXTERNAL DEBT COMPARED WITH SHARES IN BWI VOTES

| | IBRD Votes | IMF Votes | External Debt 2002 | Value of External Debt 2002 |
|---|---|---|---|---|
| Total | 100.0% | 100.0% | 100.0% | 100.0% |
| Developed Countries | 60.0% | 63.2% | 0.0% | 0.0% |
| USA | 16.4% | 17.1% | 0.0% | 0.0% |
| European Union | 20.6% | 23.8% | 0.0% | 0.0% |
| Others | 23.0% | 22.3% | 0.0% | 0.0% |
| Developing Countries | 40.0% | 36.8% | 100.0% | 100.0% |
| Asia | 10.2% | 9.3% | 29.0% | 28.3% |
| Africa | 5.5% | 4.8% | 9.1% | 7.2% |
| LAC | 8.9% | 7.6% | 31.5% | 31.8% |
| MENA | 6.9% | 7.0% | 6.5% | 6.4% |
| ECA | 8.4% | 8.1% | 23.8% | 26.2% |

Sources: IMF and IBRD documents

## Basic Votes

Basic votes enhance the voice of developing countries in general and small countries in particular. Each country, no matter how small relative to the world economy, is accorded a minimum number of votes thus ensuring it of a respectable voice in the BWIs' board. Unfortunately, the share of basic votes has been eroded through the years, rendering this voice less distinct. Bringing them back to their original share at BWIs' inception will return small countries to the respectable position that they deserve in the BWIs.

Developing countries increase their share to 81%. All developing country groups improve on their current shares. However, large countries like China, India, Brazil and Mexico have their shares diluted.

The biggest beneficiaries are the small countries which have small shares because of their economic size. Basic votes serve to reduce the risks and disadvantages that are unique in being small. Market and exchange risks are higher for their transactions. They are less able to take advantage of scale economies. They have to rely on outside markets to make their production viable and competitive. Actions of their larger

neighbors could impair their capability to compete. They are mostly undiversified, trade-dependent, vulnerable to economic shocks and have significantly more volatile growth than large countries. In addition, the LICUS small states are fragile as a result of weak governance, conflict and sometimes, a natural resource "curse". [20]

Basic votes have the advantage of not imposing monetary contribution by countries. There is no need to call on additional capital contributions from members.

Basic votes used to account for 11.3% and 10.87% of the total quotas and capital shares of the IMF and the WB, respectively. They have gone down to 2.1% for the IMF and 2.84% for the WB. Initially, a quadrupling of basic votes will push the share to 11.4%. However, a 20% adjustment in the quotas will reduce the share of basic votes to 8.9% of total votes. An additional increase in the IMF basic votes would therefore be necessary. In total, 17-fold rise in basic votes in the IMF and a 12.7-fold rise in the World Bank are needed to restore basic votes to their initial levels.

## Conclusions

Enhancing governance in BWIs is the best way to enhance effectiveness in attaining the MDGs. It means ensuring that both borrowing and non-borrowing, donor and donation-recipient countries, developing and developed countries are given their appropriate voice in decision-making in the BWIs. It also means that the BWIs are equipped with appropriate levels of quota and equity to handle the required higher levels of resources needed to increase lending and other assistance to member-countries.

Unfortunately, IMF quotas and IBRD equities have been slipping relative to GNI-PPP, trade flows and capital flows. In an increasingly interdependent world subject to contagion, herd mentality, and market whims and volatilities, the risks have indeed risen relative to the capability of BWIs to contain them. The BWIs should return to the ratios in the late '90s when they boosted their resources to cope with the effects of the Asian crisis. They should even improve on them to make sure that they are ready to handle situations that led to this Asian crisis, the Argentinean near-meltdown which brought the Latin American economies to a standstill in late '90s and early 2000s in addition to the continuing challenge of scaling up to meet the MDGs.[21]

Likewise, the calculation of quotas and shares has made use of formulas that go against developing countries and transition economies. These formulas focus on variables that understate the role of developing countries in the world economy. The weaknesses of statistical measurement in developing countries have further understated

[20] IDA, "Supporting Small and Vulnerable State", December 8, 2004, p. 2.

[21] It would have been interesting to go further back to compute these ratios but there were no world GNI-PPI and capital flow statistics until the 1990s.

their calculated shares. The formulas also contain weights that are set without any basis.

Furthermore, basic votes have remained stagnant since the inception of the BWIs, eroding the role of small countries in BWIs' decision-making. The BWIs should increase basic votes every time the total votes are increased and make sure that the ratio of basic votes at inception is maintained.

These should be corrected to enhance governance in BWIs, enhance solidarity among diverse member-country groups and transform the BWIs to effective development agents and MDG movers.

Recommendations

To enhance the voice of developing countries in BWIs and balance the voting strength between the borrowing and non-borrowing countries in BWIs, the best options are to:

- Increase the basic votes to their original shares at the time of the BWIs' establishment and increase them proportionately if quota and share increases are approved. - During the establishment of the Bretton Woods institutions, basic votes accounted for 11.3%/10.87% of total quotas/capital shares. However, they have declined to 2.1% for the IMF and 2.8% for the WB. Bringing back the original share of basic votes and increasing the IMF quotas by 20% requires basic votes rising by 17 times from their present levels.

- Replace GNI based on market prices with GNI-PPP. – GNI computed using market exchange rates is biased against developing countries since non-tradable goods are undervalued alongside tradable goods.

- To measure shares of world output, simplify the formula by adopting only GNI-PPP as variable. - This simplifies both the computation and the negotiations. It also avoids having to use subjective weights for other variables.

- Use demand variables (population-related variables and debt variables) if developed countries insist on the use of supply variables (such as reserves and current transactions). – Population-related and debt variables increase the share of developing countries almost like the share of an increase in the basic votes. These are the best determinants of demand. However, they are also poor determinants of capability to contribute. Some countries with a larger share of population may not be able to take up their quota allocations. Further, there are problems attaching weights to each of these variables. The negotiations can bog down not only on the choice of variables but also on the weights to be attached to them. Such decisions are subjective and cannot be decided objectively. The

discussions could go on endlessly to the detriment of the developing countries' position.

- Use adjusted current account transactions or adjusted merchandise trade transactions over unadjusted numbers if current transactions or merchandise trade transactions are used. Transaction data net of intra-EU trade and adjusted using trading partner data for countries with statistical problems provide a fairer basis for quota computation.

- Increase IMF quotas by 20% to bring back the level relative to the risks IMF needs to cover to the level of 1999. A crisis such as the 1997-99 Asian crisis will make the IMF unable to provide the needed liquidity given its present quotas. In case this measure is adopted, a 20% incremental rise in basic votes is necessary over and above the increase arising from the initial 51% increase in total votes arising from the use of the alternative formula (GNI-PPI with status quo on countries with decreases).

- Increase WB capital shares by 30% after the adjustment in IMF quotas and follow the formula to reallocate quotas. While there may be no need for a capital increase at present due to the declining loan portfolio, improved lending to MICs as a result of the WB's new thrusts and the need to scale up lending to LICs to attain the MDGs may render the WB capital shares inadequate. Further, a crisis as large as the late 1990s' Asian crisis will render BWIs unprepared to help developing countries.

- Apply the status quo on the number of shares of countries whose calculated voting shares are going to decline. Applying the status quo will smooth out the process and increase acceptability of the reallocation. It will appease oil-producing countries and countries whose economies have stagnated. It will enable G24 to get the support of Saudi Arabia and Kuwait to the G24 position. It will also maintain the incentive of surplus countries to increase contributions to IDA and other assistance windows intended for some groups of developing countries. Simulations indicate that at most, the change from the application of this principle is a percentage decline in the share of developing countries as a group.

Proposed IMF Voting Structure

The use of GNI-PPP as sole variable to measure of world production and as sole determinant of quota allocation, the use of status quo on country-members with decreases in calculated quota, a 20% increase in quotas and a requisite increase in basic votes to maintain the 11.3% ratio of basic votes at inception will result in a reallocation of voting power that will enhance the voice of developing countries in the IMF. The share of developing countries will rise from 36.8% to 51.2% while that of developed countries will drop from 63.2% to 48.8%.

All developed country groups will experience a decline in percentage shares. That of EU will drop from 23.8% to 15.9%; other developed countries including Japan from 22.3% to 17.7%; that of the US will decline from 17.1% to 15.2%.

All developing country groups except MENA will undergo a rise in percentage shares. Asia's will more than double from 9.3% to 19.3%; LAC from 7.6% to 9.8%; Africa, from 4.8% to 8.1%; and ECA from 8.1% to 8.3%.

Table 10. PROPOSED REALLOCATION OF IMF QUOTAS BY COUNTRY GROUP

| | Current IMF Votes | Percent Share | Proposed 17-fold rise in basic votes/use GNI-PPI/ plus 20% | Percent Share | Change in votes | in share |
|---|---|---|---|---|---|---|
| Total | 2,177,807 | 100.00% | 3,741,479 | 100.00% | 1,563,672 | 0.00% |
| Developed Countries | 1,376,766 | 63.22% | 1,824,321 | 48.76% | 447,555 | -14.46% |
| USA | 371,743 | 17.07% | 567,199 | 15.16% | 195,456 | -1.91% |
| EU | 518,975 | 23.83% | 595,011 | 15.90% | 76,036 | -7.93% |
| Others | 486,048 | 22.32% | 662,112 | 17.70% | 176,064 | -4.62% |
| Developing Countries | 801,041 | 36.78% | 1,917,158 | 51.24% | 1,116,117 | 14.46% |
| Asia | 201,871 | 9.27% | 721,750 | 19.29% | 519,879 | 10.02% |
| Africa | 104,421 | 4.79% | 301,253 | 8.05% | 196,832 | 3.26% |
| LAC | 165,786 | 7.61% | 365,175 | 9.76% | 199,389 | 2.15% |
| MENA | 152,975 | 7.02% | 217,321 | 5.81% | 64,346 | -1.22% |
| ECA | 175,988 | 8.08% | 311,658 | 8.33% | 135,670 | 0.25% |

All countries will experience an increase in votes by at least 4,000---the level of the increase in basic votes. Twenty-eight (28) developed countries and 23 developing countries will increase by this minimum level. The biggest increases will be experienced by China (238 thousand), US (195 thousand), India (115 thousand), Japan (63 thousand), Brazil (45 thousand), Korea (32 thousand), Mexico (27 thousand), Spain (20 thousand), Turkey (19 thousand) and Indonesia (18 thousand).

Basic votes will rise 17-fold under this proposal to reach a proportion of about 11.3% of total votes.

**Table 11. PROPOSED REALLOCATION OF IMF VOTES BY COUNTRY**

| | Current IMF Votes | Percent Share | Proposed 17-fold rise in basic votes/use GNI-PPI/ plus 20% status quo | Percent Share | Change in votes | in share |
|---|---|---|---|---|---|---|
| Australia | 32,614 | 1.50% | 36,614 | 0.98% | 4,000 | -0.52% |
| Austria | 18,973 | 0.87% | 22,973 | 0.61% | 4,000 | -0.26% |
| Bahamas | 1,553 | 0.07% | 5,553 | 0.15% | 4,000 | 0.08% |
| Bahrain | 1,600 | 0.07% | 5,600 | 0.15% | 4,000 | 0.08% |
| Belgium | 46,302 | 2.13% | 50,302 | 1.34% | 4,000 | -0.78% |
| Brunei Darussalam | 2,402 | 0.11% | 6,402 | 0.17% | 4,000 | 0.06% |
| Canada | 63,942 | 2.94% | 67,942 | 1.82% | 4,000 | -1.12% |
| Cyprus | 1,646 | 0.08% | 5,646 | 0.15% | 4,000 | 0.08% |
| Denmark | 13,701 | 0.63% | 17,701 | 0.47% | 4,000 | -0.16% |
| Finland | 12,888 | 0.59% | 16,888 | 0.45% | 4,000 | -0.14% |
| France | 107,635 | 4.94% | 111,635 | 2.98% | 4,000 | -1.96% |
| Germany | 130,332 | 5.98% | 134,332 | 3.59% | 4,000 | -2.39% |
| Greece | 8,480 | 0.39% | 14,906 | 0.40% | 6,426 | 0.01% |
| Iceland | 1,426 | 0.07% | 5,426 | 0.15% | 4,000 | 0.08% |
| Ireland | 8,634 | 0.40% | 12,634 | 0.34% | 4,000 | -0.06% |
| Israel | 9,532 | 0.44% | 13,532 | 0.36% | 4,000 | -0.08% |
| Italy | 70,805 | 3.25% | 84,728 | 2.26% | 13,923 | -0.99% |
| Japan | 133,378 | 6.12% | 196,265 | 5.25% | 62,887 | -0.88% |
| Korea | 16,586 | 0.76% | 48,442 | 1.29% | 31,856 | 0.53% |
| Kuwait | 14,061 | 0.65% | 18,061 | 0.48% | 4,000 | -0.16% |
| Luxembourg | 3,041 | 0.14% | 7,041 | 0.19% | 4,000 | 0.05% |
| Netherlands | 51,874 | 2.38% | 55,874 | 1.49% | 4,000 | -0.89% |
| New Zealand | 9,196 | 0.42% | 13,196 | 0.35% | 4,000 | -0.07% |
| Norway | 16,967 | 0.78% | 20,967 | 0.56% | 4,000 | -0.22% |
| Portugal | 8,924 | 0.41% | 14,245 | 0.38% | 5,321 | -0.03% |
| Qatar | 2,888 | 0.13% | 6,888 | 0.18% | 4,000 | 0.05% |
| San Marino | 420 | 0.02% | 4,420 | 0.12% | 4,000 | 0.10% |
| Singapore | 8,875 | 0.41% | 12,875 | 0.34% | 4,000 | -0.06% |
| Slovenia | 2,567 | 0.12% | 6,567 | 0.18% | 4,000 | 0.06% |
| Spain | 30,739 | 1.41% | 50,426 | 1.35% | 19,687 | -0.06% |
| Sweden | 24,205 | 1.11% | 28,205 | 0.75% | 4,000 | -0.36% |
| Switzerland | 34,835 | 1.60% | 38,835 | 1.04% | 4,000 | -0.56% |
| United Arab Emirates | 6,367 | 0.29% | 10,367 | 0.28% | 4,000 | -0.02% |
| United Kingdom | 107,635 | 4.94% | 111,635 | 2.98% | 4,000 | -1.96% |
| United States | 371,743 | 17.07% | 567,199 | 15.16% | 195,456 | -1.91% |
| Total | 1,376,766 | 63.22% | 1,824,321 | 48.76% | 447,555 | -14.46% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Afghanistan | 1,869 | 0.09% | 5,869 | 0.16% | 4,000 | 0.07% |
| Albania | 737 | 0.03% | 4,737 | 0.13% | 4,000 | 0.09% |
| Algeria | 12,797 | 0.59% | 16,797 | 0.45% | 4,000 | -0.14% |
| Angola | 3,113 | 0.14% | 7,113 | 0.19% | 4,000 | 0.05% |
| Antigua and Barbuda | 385 | 0.02% | 4,385 | 0.12% | 4,000 | 0.10% |
| Argentina | 21,421 | 0.98% | 27,772 | 0.74% | 6,351 | -0.24% |
| Armenia | 1,170 | 0.05% | 5,170 | 0.14% | 4,000 | 0.08% |
| Azerbaijan | 1,859 | 0.09% | 5,859 | 0.16% | 4,000 | 0.07% |
| Bangladesh | 5,583 | 0.26% | 16,776 | 0.45% | 11,193 | 0.19% |
| Barbados | 925 | 0.04% | 4,925 | 0.13% | 4,000 | 0.09% |
| Belarus | 4,114 | 0.19% | 8,114 | 0.22% | 4,000 | 0.03% |
| Belize | 438 | 0.02% | 4,438 | 0.12% | 4,000 | 0.10% |
| Benin | 869 | 0.04% | 4,869 | 0.13% | 4,000 | 0.09% |
| Bhutan | 313 | 0.01% | 4,313 | 0.12% | 4,000 | 0.10% |
| Bolivia | 1,965 | 0.09% | 5,965 | 0.16% | 4,000 | 0.07% |
| Bosnia and Herzegovina | 1,941 | 0.09% | 5,941 | 0.16% | 4,000 | 0.07% |
| Botswana | 880 | 0.04% | 4,880 | 0.13% | 4,000 | 0.09% |
| Brazil | 30,611 | 1.41% | 75,328 | 2.01% | 44,717 | 0.61% |
| Bulgaria | 6,652 | 0.31% | 10,652 | 0.28% | 4,000 | -0.02% |
| Burkina Fasso | 852 | 0.04% | 4,852 | 0.13% | 4,000 | 0.09% |
| Burundi | 1,020 | 0.05% | 5,020 | 0.13% | 4,000 | 0.09% |
| Cambodia | 1,125 | 0.05% | 5,125 | 0.14% | 4,000 | 0.09% |
| Cameroon | 2,107 | 0.10% | 6,107 | 0.16% | 4,000 | 0.07% |
| Cape Verde | 346 | 0.02% | 4,346 | 0.12% | 4,000 | 0.10% |
| Central African Republic | 807 | 0.04% | 4,807 | 0.13% | 4,000 | 0.09% |
| Chad | 810 | 0.04% | 4,810 | 0.13% | 4,000 | 0.09% |
| Chile | 8,811 | 0.40% | 12,811 | 0.34% | 4,000 | -0.06% |
| China | 63,942 | 2.94% | 302,201 | 8.08% | 238,259 | 5.14% |
| Colombia | 7,990 | 0.37% | 19,686 | 0.53% | 11,696 | 0.16% |
| Comoros | 339 | 0.02% | 4,339 | 0.12% | 4,000 | 0.10% |
| Congo, Dem. Rep. of | 5,580 | 0.26% | 9,580 | 0.26% | 4,000 | 0.00% |
| Congo, Rep. Of | 1,096 | 0.05% | 5,096 | 0.14% | 4,000 | 0.09% |
| Costa Rica | 1,891 | 0.09% | 5,891 | 0.16% | 4,000 | 0.07% |
| Cote d'Ivoire | 3,502 | 0.16% | 7,502 | 0.20% | 4,000 | 0.04% |
| Croatia | 3,901 | 0.18% | 7,901 | 0.21% | 4,000 | 0.03% |
| Czech Rep. | 8,443 | 0.39% | 12,443 | 0.33% | 4,000 | -0.06% |
| Djibouti | 409 | 0.02% | 4,409 | 0.12% | 4,000 | 0.10% |
| Dominica | 332 | 0.02% | 4,332 | 0.12% | 4,000 | 0.10% |
| Dominican Rep. | 2,439 | 0.11% | 7,254 | 0.19% | 4,815 | 0.08% |
| Ecuador | 3,273 | 0.15% | 7,273 | 0.19% | 4,000 | 0.04% |
| Egypt | 9,687 | 0.44% | 17,853 | 0.48% | 8,166 | 0.03% |
| El Salvador | 1,963 | 0.09% | 5,963 | 0.16% | 4,000 | 0.07% |
| Equatorial Guinea | 576 | 0.03% | 4,576 | 0.12% | 4,000 | 0.10% |
| Eritrea | 409 | 0.02% | 4,409 | 0.12% | 4,000 | 0.10% |
| Estonia | 902 | 0.04% | 4,902 | 0.13% | 4,000 | 0.09% |
| Ethiopia | 1,587 | 0.07% | 7,046 | 0.19% | 5,459 | 0.12% |
| Fiji | 953 | 0.04% | 4,953 | 0.13% | 4,000 | 0.09% |
| Gabon | 1,793 | 0.08% | 5,793 | 0.15% | 4,000 | 0.07% |
| Gambia, The | 561 | 0.03% | 4,561 | 0.12% | 4,000 | 0.10% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Georgia | 1,753 | 0.08% | 5,753 | 0.15% | 4,000 | 0.07% |
| Ghana | 3,940 | 0.18% | 7,940 | 0.21% | 4,000 | 0.03% |
| Grenada | 367 | 0.02% | 4,367 | 0.12% | 4,000 | 0.10% |
| Guatemala | 2,352 | 0.11% | 6,933 | 0.19% | 4,581 | 0.08% |
| Guinea | 1,321 | 0.06% | 5,321 | 0.14% | 4,000 | 0.08% |
| Guinea-Bissau | 392 | 0.02% | 4,392 | 0.12% | 4,000 | 0.10% |
| Guyana | 1,159 | 0.05% | 5,159 | 0.14% | 4,000 | 0.08% |
| Haiti | 1,069 | 0.05% | 5,069 | 0.14% | 4,000 | 0.09% |
| Honduras | 1,545 | 0.07% | 5,545 | 0.15% | 4,000 | 0.08% |
| Hungary | 10,634 | 0.49% | 14,634 | 0.39% | 4,000 | -0.10% |
| India | 41,832 | 1.92% | 156,645 | 4.19% | 114,813 | 2.27% |
| Indonesia | 21,043 | 0.97% | 38,957 | 1.04% | 17,914 | 0.07% |
| Iran | 15,222 | 0.70% | 26,866 | 0.72% | 11,644 | 0.02% |
| Iraq | 12,134 | 0.56% | 16,134 | 0.43% | 4,000 | -0.13% |
| Jamaica | 2,985 | 0.14% | 6,985 | 0.19% | 4,000 | 0.05% |
| Jordan | 1,955 | 0.09% | 5,955 | 0.16% | 4,000 | 0.07% |
| Kazakhstan | 3,907 | 0.18% | 9,125 | 0.24% | 5,218 | 0.06% |
| Kenya | 2,964 | 0.14% | 6,964 | 0.19% | 4,000 | 0.05% |
| Kiribati | 306 | 0.01% | 4,306 | 0.12% | 4,000 | 0.10% |
| Kyrgyz Rep. | 1,138 | 0.05% | 5,138 | 0.14% | 4,000 | 0.09% |
| Laos | 779 | 0.04% | 4,779 | 0.13% | 4,000 | 0.09% |
| Latvia | 1,518 | 0.07% | 5,518 | 0.15% | 4,000 | 0.08% |
| Lebanon | 2,280 | 0.10% | 6,280 | 0.17% | 4,000 | 0.06% |
| Lesotho | 599 | 0.03% | 4,599 | 0.12% | 4,000 | 0.10% |
| Liberia | 963 | 0.04% | 4,963 | 0.13% | 4,000 | 0.09% |
| Libya | 11,487 | 0.53% | 15,487 | 0.41% | 4,000 | -0.11% |
| Lithuania | 1,692 | 0.08% | 5,692 | 0.15% | 4,000 | 0.07% |
| Macedonia | 939 | 0.04% | 4,939 | 0.13% | 4,000 | 0.09% |
| Madagascar | 1,472 | 0.07% | 5,472 | 0.15% | 4,000 | 0.08% |
| Malawi | 944 | 0.04% | 4,944 | 0.13% | 4,000 | 0.09% |
| Malaysia | 15,116 | 0.69% | 19,116 | 0.51% | 4,000 | -0.18% |
| Maldives | 332 | 0.02% | 4,332 | 0.12% | 4,000 | 0.10% |
| Mali | 1,183 | 0.05% | 5,183 | 0.14% | 4,000 | 0.08% |
| Malta | 1,270 | 0.06% | 5,270 | 0.14% | 4,000 | 0.08% |
| Marshall Islands | 285 | 0.01% | 4,285 | 0.11% | 4,000 | 0.10% |
| Mauritania | 894 | 0.04% | 4,894 | 0.13% | 4,000 | 0.09% |
| Mauritius | 1,266 | 0.06% | 5,266 | 0.14% | 4,000 | 0.08% |
| Mexico | 26,108 | 1.20% | 52,769 | 1.41% | 26,661 | 0.21% |
| Micronesia | 301 | 0.01% | 4,301 | 0.11% | 4,000 | 0.10% |
| Moldova | 1,482 | 0.07% | 5,482 | 0.15% | 4,000 | 0.08% |
| Mongolia | 761 | 0.03% | 4,761 | 0.13% | 4,000 | 0.09% |
| Morocco | 6,132 | 0.28% | 10,132 | 0.27% | 4,000 | -0.01% |
| Mozambique | 1,386 | 0.06% | 5,386 | 0.14% | 4,000 | 0.08% |
| Myanmar | 2,834 | 0.13% | 6,834 | 0.18% | 4,000 | 0.05% |
| Namibia | 1,615 | 0.07% | 5,615 | 0.15% | 4,000 | 0.08% |
| Nepal | 963 | 0.04% | 6,083 | 0.16% | 5,120 | 0.12% |
| Nicaragua | 1,550 | 0.07% | 5,550 | 0.15% | 4,000 | 0.08% |
| Niger | 908 | 0.04% | 4,908 | 0.13% | 4,000 | 0.09% |
| Nigeria | 17,782 | 0.82% | 21,782 | 0.58% | 4,000 | -0.23% |
| Oman | 2,190 | 0.10% | 6,190 | 0.17% | 4,000 | 0.06% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Pakistan | 10,587 | 0.49% | 19,251 | 0.51% | 8,664 | 0.03% |
| Palau | 281 | 0.01% | 4,281 | 0.11% | 4,000 | 0.10% |
| Panama | 2,316 | 0.11% | 6,316 | 0.17% | 4,000 | 0.06% |
| Papua New Guinea | 1,566 | 0.07% | 5,566 | 0.15% | 4,000 | 0.08% |
| Paraguay | 1,249 | 0.06% | 5,249 | 0.14% | 4,000 | 0.08% |
| Peru | 6,634 | 0.30% | 11,203 | 0.30% | 4,569 | -0.01% |
| Philippines | 9,049 | 0.42% | 23,030 | 0.62% | 13,981 | 0.20% |
| Poland | 13,940 | 0.64% | 25,297 | 0.68% | 11,357 | 0.04% |
| Romania | 10,552 | 0.48% | 14,552 | 0.39% | 4,000 | -0.10% |
| Russian Federation | 59,704 | 2.74% | 63,704 | 1.70% | 4,000 | -1.04% |
| Rwanda | 1,051 | 0.05% | 5,051 | 0.14% | 4,000 | 0.09% |
| Samoa | 366 | 0.02% | 4,366 | 0.12% | 4,000 | 0.10% |
| So Tome and Principe | 324 | 0.01% | 4,324 | 0.12% | 4,000 | 0.10% |
| Saudi Arabia | 70,105 | 3.22% | 74,105 | 1.98% | 4,000 | -1.24% |
| Senegal | 1,868 | 0.09% | 5,868 | 0.16% | 4,000 | 0.07% |
| Serbia and Montenegro | 4,927 | 0.23% | 8,927 | 0.24% | 4,000 | 0.01% |
| Seychelles | 338 | 0.02% | 4,338 | 0.12% | 4,000 | 0.10% |
| Sierra Leone | 1,287 | 0.06% | 5,287 | 0.14% | 4,000 | 0.08% |
| Slovak Republic | 3,825 | 0.18% | 7,825 | 0.21% | 4,000 | 0.03% |
| Solomon Islands | 354 | 0.02% | 4,354 | 0.12% | 4,000 | 0.10% |
| Somalia | 692 | 0.03% | 4,692 | 0.13% | 4,000 | 0.09% |
| South Africa | 18,935 | 0.87% | 28,982 | 0.77% | 10,047 | -0.09% |
| Sri Lanka | 4,384 | 0.20% | 8,384 | 0.22% | 4,000 | 0.02% |
| St. Kitts and Nevis | 339 | 0.02% | 4,339 | 0.12% | 4,000 | 0.10% |
| St. Lucia | 403 | 0.02% | 4,403 | 0.12% | 4,000 | 0.10% |
| St. Vincent and the Grenadines | 333 | 0.02% | 4,333 | 0.12% | 4,000 | 0.10% |
| Sudan | 1,947 | 0.09% | 7,273 | 0.19% | 5,326 | 0.10% |
| Suriname | 1,171 | 0.05% | 5,171 | 0.14% | 4,000 | 0.08% |
| Swaziland | 757 | 0.03% | 4,757 | 0.13% | 4,000 | 0.09% |
| Syria | 3,186 | 0.15% | 7,186 | 0.19% | 4,000 | 0.05% |
| Tajikistan | 1,120 | 0.05% | 5,120 | 0.14% | 4,000 | 0.09% |
| Tanzania | 2,239 | 0.10% | 6,239 | 0.17% | 4,000 | 0.06% |
| Thailand | 11,069 | 0.51% | 26,733 | 0.71% | 15,664 | 0.21% |
| Timor-Leste | 332 | 0.02% | 4,332 | 0.12% | 4,000 | 0.10% |
| Togo | 984 | 0.05% | 4,984 | 0.13% | 4,000 | 0.09% |
| Tonga | 319 | 0.01% | 4,319 | 0.12% | 4,000 | 0.10% |
| Trinidad and Tobago | 3,606 | 0.17% | 7,606 | 0.20% | 4,000 | 0.04% |
| Tunisia | 3,115 | 0.14% | 7,651 | 0.20% | 4,536 | 0.06% |
| Turkey | 9,890 | 0.45% | 28,490 | 0.76% | 18,600 | 0.31% |
| Turkmenistan | 1,002 | 0.05% | 5,497 | 0.15% | 4,495 | 0.10% |
| Uganda | 2,055 | 0.09% | 6,055 | 0.16% | 4,000 | 0.07% |
| Ukraine | 13,970 | 0.64% | 17,970 | 0.48% | 4,000 | -0.16% |
| Uruguay | 3,315 | 0.15% | 7,315 | 0.20% | 4,000 | 0.04% |
| Uzbekistan | 3,006 | 0.14% | 7,006 | 0.19% | 4,000 | 0.05% |
| Vanuatu | 420 | 0.02% | 4,420 | 0.12% | 4,000 | 0.10% |
| Venezuela | 26,841 | 1.23% | 30,841 | 0.82% | 4,000 | -0.41% |
| Vietnam | 3,541 | 0.16% | 13,810 | 0.37% | 10,269 | 0.21% |
| Yemen | 2,685 | 0.12% | 6,685 | 0.18% | 4,000 | 0.06% |
| Zambia | 5,141 | 0.24% | 9,141 | 0.24% | 4,000 | 0.01% |
| Zimbabwe | 3,784 | 0.17% | 7,784 | 0.21% | 4,000 | 0.03% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Sub-Total | 801,041 | 36.78% | 1,917,158 | 51.24% | 1,116,117 | 14.46% |
| TOTAL | 2,177,807 | 100.0% | 3,741,479 | 100.0% | 1,563,672 | 0.00% |

Proposed IBRD Voting Structure

The use of GNI-PPP as sole determinant of quota allocation, the use of status quo on country-members with decreases in calculated quota, a 30% increase in non-membership shares and a requisite increase in basic votes to maintain the 10.7% ratio of basic votes at inception will result in a reallocation of voting power that will enhance the voice of developing countries in the IBRD. The share of developing countries will rise from 39.96% to 52.03% while that of developed countries will drop from 60.04% to 47.97%.

All developed country groups will experience a decline in percentage shares. That of EU will drop from 20.6% to 14.9%; and other developed countries including Japan from 23% to 17%. That of the US will decrease slightly from 16.4% to 16.0%.

All developing country groups except MENA will undergo a rise in percentage shares. Asia's will almost double from 10.2% to 20.1%; LAC from 8.9% to 10.0%; Africa, from 5.5% to 8.1%; and ECA from 8.44% to 8.47%. MENA's share will drop from 6.9% to 5.4%.

Table 11. PROPOSED REALLOCATION OF IBRD SHARES BY COUNTRY GROUP

| | IBRD Votes | Percent Share | 12.66 fold rise in basic Votes/use GNI-PPI/ plus 30%/ | Percent Share | Change in Votes | In Share |
|---|---|---|---|---|---|---|
| Total | 1,617,411 | 100.00% | 2,911,578 | 100.00% | 1,294,167 | 0.00% |
| Developed Countries | 971,158 | 60.04% | 1,396,633 | 47.97% | 425,475 | -12.08% |
| USA | 265,219 | 16.40% | 465,869 | 16.00% | 200,650 | -0.40% |
| EU | 333,458 | 20.62% | 433,503 | 14.89% | 100,045 | -5.73% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Others | 372,481 | 23.03% | 497,261 | 17.08% | 124,780 | -5.95% |
| Developing Countries | 646,253 | 39.96% | 1,514,945 | 52.03% | 868,692 | 12.08% |
| Asia | 165,641 | 10.24% | 585,663 | 20.11% | 420,022 | 9.87% |
| Africa | 88,527 | 5.47% | 235,489 | 8.09% | 146,962 | 2.61% |
| LAC | 143,398 | 8.87% | 290,057 | 9.96% | 146,659 | 1.10% |
| MENA | 112,133 | 6.93% | 157,114 | 5.40% | 44,981 | -1.54% |
| ECA | 136,554 | 8.44% | 246,623 | 8.47% | 110,069 | 0.03% |

All countries will experience an increase in votes by at least 2,915---the level of the increase in basic votes. Twenty-two (22) developed countries and 115 developing countries will increase by this minimum level. Twelve (12) of developed countries and 34 of developing countries will experience increased shares. The biggest increases will be experienced by China (203 thousand), US (200 thousand), India (83 thousand), Japan (33 thousand), Brazil (28 thousand), Mexico (24 thousand) Korea (23 thousand), Spain (13 thousand), Turkey (15 thousand) and Indonesia (14 thousand).

Basic votes will rise 12.66 fold under this proposal to reach a proportion of 10.87% of total votes.

**Table 12. PROPOSED REALLOCATION OF IBRD VOTES BY COUNTRY**

| | **IBRD** Votes | Percent Share | 12.66 fold rise in basic votes/use GNI-PPI/ plus 30%/ status quo | Percent Share | Change in Votes |
|---|---|---|---|---|---|
| Australia | 24,714 | 1.53% | 27,629 | 0.95% | 2,915 |
| Austria | 11,313 | 0.70% | 14,228 | 0.49% | 2,915 |
| Bahamas | 1,321 | 0.08% | 4,236 | 0.15% | 2,915 |
| Bahrain | 1,353 | 0.08% | 4,268 | 0.15% | 2,915 |
| Belgium | 29,233 | 1.81% | 32,148 | 1.10% | 2,915 |
| Brunei Darussalam | 2,623 | 0.16% | 5,538 | 0.19% | 2,915 |
| Canada | 45,045 | 2.79% | 47,960 | 1.65% | 2,915 |
| Cyprus | 1,711 | 0.11% | 4,626 | 0.16% | 2,915 |
| Denmark | 13,701 | 0.85% | 16,616 | 0.57% | 2,915 |
| Finland | 8,810 | 0.54% | 11,725 | 0.40% | 2,915 |
| France | 69,647 | 4.31% | 72,609 | 2.49% | 2,962 |
| Germany | 72,649 | 4.49% | 101,791 | 3.50% | 29,142 |
| Greece | 1,934 | 0.12% | 11,921 | 0.41% | 9,987 |
| Iceland | 1,508 | 0.09% | 4,423 | 0.15% | 2,915 |
| Ireland | 5,521 | 0.34% | 8,436 | 0.29% | 2,915 |
| Israel | 5,000 | 0.31% | 8,874 | 0.30% | 3,874 |
| Italy | 45,045 | 2.79% | 69,723 | 2.39% | 24,678 |

| | | | | | |
|---|---|---|---|---|---|
| Japan | 127,250 | 7.87% | 160,988 | 5.53% | 33,738 |
| Korea | 16,067 | 0.99% | 39,488 | 1.36% | 23,421 |
| Kuwait | 13,530 | 0.84% | 16,445 | 0.56% | 2,915 |
| Luxembourg | 1,902 | 0.12% | 4,817 | 0.17% | 2,915 |
| Netherlands | 35,753 | 2.21% | 38,668 | 1.33% | 2,915 |
| New Zealand | 7,486 | 0.46% | 10,401 | 0.36% | 2,915 |
| Norway | 10,232 | 0.63% | 13,147 | 0.45% | 2,915 |
| Portugal | 5,710 | 0.35% | 11,380 | 0.39% | 5,670 |
| Qatar | 1,346 | 0.08% | 4,261 | 0.15% | 2,915 |
| San Marino | 845 | 0.05% | 3,760 | 0.13% | 2,915 |
| Singapore | 570 | 0.04% | 7,715 | 0.26% | 7,145 |
| Slovenia | 1,511 | 0.09% | 4,728 | 0.16% | 3,217 |
| Spain | 28,247 | 1.75% | 41,118 | 1.41% | 12,871 |
| Sweden | 15,224 | 0.94% | 18,139 | 0.62% | 2,915 |
| Switzerland | 26,856 | 1.66% | 29,771 | 1.02% | 2,915 |
| United Arab Emirates | 2,635 | 0.16% | 6,626 | 0.23% | 3,991 |
| United Kingdom | 69,647 | 4.31% | 72,562 | 2.49% | 2,915 |
| United States | 265,219 | 16.40% | 465,869 | 16.00% | 200,650 |
| | | | | | |
| Total | 971,158 | 60.04% | 1,396,633 | 47.97% | 425,475 |
| | 64% | | | | |
| Afghanistan | 550 | 0.03% | 3,465 | 0.12% | 2,915 |
| Albania | 1,080 | 0.07% | 3,995 | 0.14% | 2,915 |
| Algeria | 9,502 | 0.59% | 12,417 | 0.43% | 2,915 |
| Angola | 2,926 | 0.18% | 5,841 | 0.20% | 2,915 |
| Antigua and Barbuda | 770 | 0.05% | 3,685 | 0.13% | 2,915 |
| Argentina | 18,161 | 1.12% | 21,076 | 0.72% | 2,915 |
| Armenia | 1,389 | 0.09% | 4,304 | 0.15% | 2,915 |
| Azerbaijan | 1,896 | 0.12% | 4,811 | 0.17% | 2,915 |
| Bangladesh | 5,104 | 0.32% | 13,461 | 0.46% | 8,357 |
| Barbados | 1,198 | 0.07% | 4,113 | 0.14% | 2,915 |
| Belarus | 3,573 | 0.22% | 6,488 | 0.22% | 2,915 |
| Belize | 836 | 0.05% | 3,751 | 0.13% | 2,915 |
| Benin | 1,118 | 0.07% | 4,033 | 0.14% | 2,915 |
| Bhutan | 729 | 0.05% | 3,644 | 0.13% | 2,915 |
| Bolivia | 2,035 | 0.13% | 4,950 | 0.17% | 2,915 |
| Bosnia and Herzegovina | 799 | 0.05% | 4,245 | 0.15% | 3,446 |
| Botswana | 865 | 0.05% | 3,780 | 0.13% | 2,915 |
| Brazil | 33,537 | 2.07% | 61,586 | 2.12% | 28,049 |
| Bulgaria | 5,465 | 0.34% | 8,380 | 0.29% | 2,915 |
| Burkina Fasso | 1,118 | 0.07% | 4,033 | 0.14% | 2,915 |
| Burundi | 966 | 0.06% | 3,881 | 0.13% | 2,915 |
| Cambodia | 464 | 0.03% | 4,159 | 0.14% | 3,695 |
| Cameroon | 1,777 | 0.11% | 4,692 | 0.16% | 2,915 |
| Cape Verde | 758 | 0.05% | 3,673 | 0.13% | 2,915 |
| Central African Republic | 1,112 | 0.07% | 4,027 | 0.14% | 2,915 |
| Chad | 1,112 | 0.07% | 4,027 | 0.14% | 2,915 |

| | | | | | |
|---|---|---|---|---|---|
| Chile | 7,181 | 0.44% | 10,096 | 0.35% | 2,915 |
| China | 45,049 | 2.79% | 248,060 | 8.52% | 203,011 |
| Colombia | 6,602 | 0.41% | 15,852 | 0.54% | 9,250 |
| Comoros | 532 | 0.03% | 3,447 | 0.12% | 2,915 |
| Congo, Dem. Rep. of | 2,893 | 0.18% | 5,944 | 0.20% | 3,051 |
| Congo, Rep. Of | 1,177 | 0.07% | 4,092 | 0.14% | 2,915 |
| Costa Rica | 483 | 0.03% | 4,718 | 0.16% | 4,235 |
| Cote d'Ivoire | 2,766 | 0.17% | 5,681 | 0.20% | 2,915 |
| Croatia | 2,543 | 0.16% | 5,458 | 0.19% | 2,915 |
| Czech Rep. | 6,558 | 0.41% | 9,473 | 0.33% | 2,915 |
| Djibouti 1/ | 809 | 0.05% | 3,724 | 0.13% | 2,915 |
| Dominica | 754 | 0.05% | 3,669 | 0.13% | 2,915 |
| Dominican Rep. | 2,342 | 0.14% | 5,632 | 0.19% | 3,290 |
| Ecuador | 3,021 | 0.19% | 5,934 | 0.20% | 2,915 |
| Egypt | 7,358 | 0.45% | 14,346 | 0.49% | 6,988 |
| El Salvador | 391 | 0.02% | 4,591 | 0.16% | 4,200 |
| Equatorial Guinea | 965 | 0.06% | 3,880 | 0.13% | 2,915 |
| Eritrea | 843 | 0.05% | 3,758 | 0.13% | 2,915 |
| Estonia | 1,173 | 0.07% | 4,088 | 0.14% | 2,915 |
| Ethiopia | 1,228 | 0.08% | 5,463 | 0.19% | 4,235 |
| Fiji | 1,237 | 0.08% | 4,152 | 0.14% | 2,915 |
| Gabon | 1,237 | 0.08% | 4,152 | 0.14% | 2,915 |
| Gambia, The | 793 | 0.05% | 3,708 | 0.13% | 2,915 |
| Georgia | 1,834 | 0.11% | 4,749 | 0.16% | 2,915 |
| Ghana | 1,775 | 0.11% | 4,690 | 0.16% | 2,915 |
| Grenada | 781 | 0.05% | 3,696 | 0.13% | 2,915 |
| Guatemala | 2,251 | 0.14% | 5,166 | 0.18% | 2,915 |
| Guinea | 1,542 | 0.10% | 4,457 | 0.15% | 2,915 |
| Guinea-Bissau | 790 | 0.05% | 3,705 | 0.13% | 2,915 |
| Guyana | 1,308 | 0.08% | 4,223 | 0.15% | 2,915 |
| Haiti | 1,317 | 0.08% | 4,232 | 0.15% | 2,915 |
| Honduras | 891 | 0.06% | 3,806 | 0.13% | 2,915 |
| Hungary | 8,300 | 0.51% | 11,215 | 0.39% | 2,915 |
| India | 45,045 | 2.79% | 128,423 | 4.41% | 83,378 |
| Indonesia | 15,231 | 0.94% | 31,692 | 1.09% | 16,461 |
| Iran | 23,935 | 1.48% | 26,850 | 0.92% | 2,915 |
| Iraq | 3,058 | 0.19% | 5,973 | 0.21% | 2,915 |
| Jamaica | 2,828 | 0.17% | 5,743 | 0.20% | 2,915 |
| Jordan | 1,638 | 0.10% | 4,553 | 0.16% | 2,915 |
| Kazakhstan | 3,235 | 0.20% | 6,150 | 0.21% | 2,915 |
| Kenya | 2,711 | 0.17% | 5,626 | 0.19% | 2,915 |
| Kiribati | 715 | 0.04% | 3,630 | 0.12% | 2,915 |
| Kyrgyz Rep. | 1,357 | 0.08% | 4,272 | 0.15% | 2,915 |
| Laos | 428 | 0.03% | 3,553 | 0.12% | 3,125 |
| Latvia | 1,634 | 0.10% | 4,549 | 0.16% | 2,915 |
| Lebanon | 590 | 0.04% | 4,081 | 0.14% | 3,491 |
| Lesotho | 913 | 0.06% | 3,828 | 0.13% | 2,915 |
| Liberia | 713 | 0.04% | 3,628 | 0.12% | 2,915 |
| Libya | 8,090 | 0.50% | 11,005 | 0.38% | 2,915 |
| Lithuania | 1,757 | 0.11% | 4,672 | 0.16% | 2,915 |

| | | | | | |
|---|---|---|---|---|---|
| Macedonia | 677 | 0.04% | 3,709 | 0.13% | 3,032 |
| Madagascar | 1,672 | 0.10% | 4,587 | 0.16% | 2,915 |
| Malawi | 1,344 | 0.08% | 4,259 | 0.15% | 2,915 |
| Malaysia | 8,494 | 0.53% | 12,312 | 0.42% | 3,818 |
| Maldives | 719 | 0.04% | 3,634 | 0.12% | 2,915 |
| Mali | 1,412 | 0.09% | 4,327 | 0.15% | 2,915 |
| Malta | 1,324 | 0.08% | 4,239 | 0.15% | 2,915 |
| Marshall Islands | 719 | 0.04% | 3,634 | 0.12% | 2,915 |
| Mauritania | 1,150 | 0.07% | 4,065 | 0.14% | 2,915 |
| Mauritius | 1,492 | 0.09% | 4,407 | 0.15% | 2,915 |
| Mexico | 19,054 | 1.18% | 43,044 | 1.48% | 23,990 |
| Micronesia | 729 | 0.05% | 3,644 | 0.13% | 2,915 |
| Moldova | 1,618 | 0.10% | 4,533 | 0.16% | 2,915 |
| Mongolia | 716 | 0.04% | 3,631 | 0.12% | 2,915 |
| Morocco | 5,223 | 0.32% | 8,138 | 0.28% | 2,915 |
| Mozambique | 1,180 | 0.07% | 4,095 | 0.14% | 2,915 |
| Myanmar | 2,734 | 0.17% | 5,649 | 0.19% | 2,915 |
| Namibia | 1,773 | 0.11% | 4,688 | 0.16% | 2,915 |
| Nepal | 1,218 | 0.08% | 4,671 | 0.16% | 3,453 |
| Nicaragua | 858 | 0.05% | 3,773 | 0.13% | 2,915 |
| Niger | 1,102 | 0.07% | 4,017 | 0.14% | 2,915 |
| Nigeria | 12,905 | 0.80% | 15,820 | 0.54% | 2,915 |
| Oman | 1,811 | 0.11% | 4,726 | 0.16% | 2,915 |
| Pakistan | 9,589 | 0.59% | 15,495 | 0.53% | 5,906 |
| Palau | 266 | 0.02% | 3,171 | 0.11% | 2,915 |
| Panama | 635 | 0.04% | 3,939 | 0.14% | 3,304 |
| Papua New Guinea | 1,544 | 0.10% | 4,459 | 0.15% | 2,915 |
| Paraguay | 1,479 | 0.09% | 4,394 | 0.15% | 2,915 |
| Peru | 5,581 | 0.35% | 8,880 | 0.30% | 3,299 |
| Philippines | 7,094 | 0.44% | 18,601 | 0.64% | 11,507 |
| Poland | 11,158 | 0.69% | 20,464 | 0.70% | 9,306 |
| Romania | 4,261 | 0.26% | 9,654 | 0.33% | 5,393 |
| Russian Federation | 45,045 | 2.79% | 54,799 | 1.88% | 9,754 |
| Rwanda | 1,296 | 0.08% | 4,211 | 0.14% | 2,915 |
| Samoa | 781 | 0.05% | 3,696 | 0.13% | 2,915 |
| So Tome and Principe | 745 | 0.05% | 3,660 | 0.13% | 2,915 |
| Saudi Arabia | 45,045 | 2.79% | 47,960 | 1.65% | 2,915 |
| Senegal | 2,322 | 0.14% | 5,237 | 0.18% | 2,915 |
| Serbia and Montenegro | 1,847 | 0.11% | 4,762 | 0.16% | 2,915 |
| Seychelles 1/ | 513 | 0.03% | 3,428 | 0.12% | 2,915 |
| Sierra Leone | 968 | 0.06% | 3,883 | 0.13% | 2,915 |
| Slovak Republic | 3,466 | 0.21% | 6,381 | 0.22% | 2,915 |
| Solomon Islands | 763 | 0.05% | 3,678 | 0.13% | 2,915 |
| Somalia | 802 | 0.05% | 3,717 | 0.13% | 2,915 |
| South Africa | 13,712 | 0.85% | 23,493 | 0.81% | 9,781 |
| Sri Lanka | 4,067 | 0.25% | 6,982 | 0.24% | 2,915 |
| St. Kitts and Nevis | 525 | 0.03% | 3,440 | 0.12% | 2,915 |
| St. Lucia | 802 | 0.05% | 3,717 | 0.13% | 2,915 |
| St. Vincent and the Grenadines | 528 | 0.03% | 3,443 | 0.12% | 2,915 |
| Sudan | 1,100 | 0.07% | 5,650 | 0.19% | 4,550 |

| | | | | | |
|---|---|---|---|---|---|
| Suriname | 662 | 0.04% | 3,577 | 0.12% | 2,915 |
| Swaziland | 690 | 0.04% | 3,605 | 0.12% | 2,915 |
| Syria | 2,452 | 0.15% | 5,727 | 0.20% | 3,275 |
| Tajikistan | 1,310 | 0.08% | 4,225 | 0.15% | 2,915 |
| Tanzania | 1,545 | 0.10% | 4,460 | 0.15% | 2,915 |
| Thailand | 6,599 | 0.41% | 21,645 | 0.74% | 15,046 |
| Timor-Leste | 767 | 0.05% | 3,682 | 0.13% | 2,915 |
| Togo | 1,355 | 0.08% | 4,270 | 0.15% | 2,915 |
| Tonga 1/ | 744 | 0.05% | 3,659 | 0.13% | 2,915 |
| Trinidad and Tobago | 2,914 | 0.18% | 5,829 | 0.20% | 2,915 |
| Tunisia | 969 | 0.06% | 5,960 | 0.20% | 4,991 |
| Turkey | 8,578 | 0.53% | 23,089 | 0.79% | 14,511 |
| Turkmenistan | 776 | 0.05% | 4,187 | 0.14% | 3,411 |
| Uganda | 867 | 0.05% | 3,782 | 0.13% | 2,915 |
| Ukraine | 11,158 | 0.69% | 14,073 | 0.48% | 2,915 |
| Uruguay | 3,062 | 0.19% | 5,977 | 0.21% | 2,915 |
| Uzbekistan | 2,743 | 0.17% | 5,658 | 0.19% | 2,915 |
| Vanuatu | 836 | 0.05% | 3,751 | 0.13% | 2,915 |
| Venezuela | 20,611 | 1.27% | 23,526 | 0.81% | 2,915 |
| Vietnam | 1,218 | 0.08% | 11,023 | 0.38% | 9,805 |
| Yemen | 2,462 | 0.15% | 5,377 | 0.18% | 2,915 |
| Zambia | 3,060 | 0.19% | 5,975 | 0.21% | 2,915 |
| Zimbabwe | 3,575 | 0.22% | 6,490 | 0.22% | 2,915 |
| Sub-Total | 646,253 | 39.96% | 1,514,945 | 52.03% | 868,692 |
| TOTAL | 1,617,411 | 100.0% | 2,911,578 | 100.0% | 1,294,167 |

REFERENCES


Buira, Ariel. "Should Governance in the IMF Be Reformed?", Post Washington Consensus Task Force, June 10, 2003.

Development Committee. "Enhancing the Voice and Participation of Developing and Transition Countries in Decision-Making at the World Bank and IMF, March 27, 2003.

_____. "Voice and Participation of Developing and Transition Countries: Progress Reports", September 29, 2004.

European Communities. *External and Intra-European Union Trade*, 2004.

International Development Association. "Supporting Small and Vulnerable States", December 8, 2004.

Intergovernmental Group of 24 on International Monetary and Financial Affairs (G24). "Communique of the Ministers of the G24", October 1, 2004.

International Monetary Fund. "Alternative Quota Formulas---Further Considerations", May 3, 2002.

____. *Annual Reports*, 1995-2004.

____. *Direction of Trade Statistics Yearbook*, 1995-2004.

____. *International Financial Statistics*. ***2004.***

_____. "Quotas---Updated Calculations", August 27, 2004.

_____. "Report of the Executive Board to the IMFC on Quotas, Voice and Representation, September 24, 2004.

United Nations (UN), "Monterrey Consensus: Report of the International Conference on Finance and Development, 18-22 March 2002".

Van Houtven, Leo. *Governance of the IMF: Decisión Making, Institutional Oversight, Transparency and Accountability*, Washington, DC: International Monetary Fund, 2002.

World Bank. *Annual Reports*, 1995-2004.

_____.. *World Development Indicators*, 1994-2004.;

_____. "A Proposal to Accompany the Debt Initiative with an Increase of IBRD's Capital, July 16, 1996.

_____. "Factoring in Governance*", OED Report*, September 1, 2004

____. "IBRD Share Allocation Issues --- Data Book", December 2004..

_____. "Progress Report---Ad Hoc Committee on Criteria for Allocation of Shares of Bank Capital", October 22, 1990.

____. "Voice Issues – Summary of Options Matrix, April 15, 2004.

_____. *World Development Indicators*. 2004.