

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

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June 20, 1984

To : Members of the Committee on Rules for 1984
Regular Election of Executive Directors

From : The Committee Secretary

Subject : 1984 Regular Election of Executive Directors

The attached paper prepared by the staff on the 1984 regular election of Executive Directors will be taken up by the Committee at its first meeting to be held in the Board Room at 10:00 a.m. on Tuesday, July 10, 1984.

Att: (1)

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INTERNATIONAL MONETARY FUND

1984 Regular Election of Executive Directors

Prepared by the Legal Department

(In consultation with the Secretary's and Treasurer's Departments)

Approved by James G. Evans, Jr.

June 19, 1984

I. Introduction

Article XII, Section 3(d) states:

"Elections of elective Executive Directors shall be conducted at intervals of two years in accordance with the provisions of Schedule E, supplemented by such regulations as the Fund deems appropriate. For each regular election of Executive Directors, the Board of Governors may issue regulations making changes in the proportion of votes required to elect Executive Directors under the provisions of Schedule E."

Board of Governors Resolution No. 37-6, adopted August 16, 1982, states in part "That a Regular Election of Executive Directors shall take place at the Annual Meeting of the Board of Governors in 1984." This meeting is to be held in Washington, D.C., September 24 through 27, 1984. Following recent practice, balloting for the election has been scheduled, provisionally, for the plenary session on the afternoon of the second day of the meeting, Tuesday, September 25, 1984. ^{1/} Nominations customarily would be closed at twelve o'clock noon on Monday, September 24. The effective date of a regular biennial election is fixed by the regulations as the November 1 following the balloting, and incumbent elected Executive Directors serve through October 31.

Regulations to supplement the provisions of Schedule E, "Election of Executive Directors," fix the time during the Annual Meeting for the ballot, but of more importance, also may set a different number of Executive Directors to be elected than the number specified by Article XII, Section 3(b), as well as change the minimum and maximum

^{1/} Secretary's Circular No. 84/31, March 30, 1984.

percentage of the votes required for election and for the purpose of determining Governors eligible to vote in a second or subsequent ballot. It has been the usual practice to submit these supplementary regulations to the Board of Governors for adoption by a vote without meeting in advance of the Annual Meeting.

Section 3(b) of Article XII states that the Executive Board shall consist of five Executive Directors appointed by the members with the five largest quotas, and fifteen Executive Directors elected by the other members. For the purpose of each regular election, the Board of Governors, by an eighty-five percent majority of the total voting power, may increase or decrease the number of Executive Directors to be elected. In addition, Section 3(c) of this Article provides that if the members entitled to appoint Executive Directors do not include the two members the holdings of whose currencies by the Fund in the General Resources Account have been, on the average over the past two years, reduced below their quotas by the largest absolute amounts in terms of the SDR, either one, or both as the case may be, may appoint an Executive Director. If such members choose to appoint an Executive Director in these circumstances, the number of Executive Directors to be elected is to be reduced by one or two, as the case may be, unless the Board of Governors by an eighty-five percent majority of the total voting power decides against this reduction because the reduction would hinder the effective discharge of the functions of the Executive Board or of Executive Directors or would threaten to upset a desirable balance in the Executive Board.

For the purpose of the calculations that must be made in accordance with Article XII, Section 3(c), Executive Board Decision No. 597-4, adopted July 28, 1950, states:

"The phrase 'the preceding two years' as used in Art. XII, Sec. 3(c), shall be deemed to be the two-year period ending on the July 31 preceding the dates of regular biennial elections of Executive Directors. However, this decision shall be reconsidered if such regular elections are held in other months than September." (Selected Decisions, Ninth Issue, page 234).

The procedures for the application of Article XII, Section 3(c) established by the Board of Governors are set forth in Section 18 of the By-laws, which states:

(a) At least six weeks before each regular election of Executive Directors, the Managing Director shall notify all members by rapid means of communication of the two members whose currencies held in the General Resources Account have been, on the average over the preceding two years, reduced below

their quotas by the largest absolute amounts in terms of the special drawing right. He shall state whether either or both may appoint an Executive Director in accordance with Article XII, Section 3(c).

(b) The Executive Board shall prescribe a period within which a member that may appoint an Executive Director in accordance with Article XII, Section 3(c) shall notify the Managing Director whether it will appoint an Executive Director. The Managing Director shall inform each member that may appoint an Executive Director under Article XII, Section 3(c) of the period and shall inform all members promptly of the receipt of a notification under this (b).

(c) A member that is entitled to appoint an Executive Director in accordance with Article XII, Section 3(b)(i) and a member that may appoint an Executive Director in accordance with Article XII, Section 3(c) and notifies the Managing Director under (b) above that it will appoint an Executive Director shall not participate in the election of an Executive Director.

II. Schedule for Consideration

To comply with the requirement of Section 18(a) of the By-Laws that the notice from the Managing Director to all members concerning appointments under Article XII, Section 3(c) be sent six weeks before each regular election, ^{1/} the notice with respect to the calculations under Article XII, Section 3(c) will have to be sent at the latest by Monday, August 13, 1984, assuming that nominations will close on Monday, September 24, and the ballot held on September 25, 1984. However, it has been the usual practice to give with respect to the calculation under Article XII, Section 3(c) notice at least six weeks before the start of the Annual Meeting so that under this practice, Friday, August 10, would be the latest working day for sending this notice.

Under Section 18(b) of the By-Laws, the Executive Board is to prescribe a period within which a member that may appoint an Executive Director in accordance with Article XII, Section 3(c) shall notify the Managing Director whether it will appoint and the Managing Director is required in turn to pass on this information to all members. The Executive Board has not had to prescribe this period in 1978, 1980, or 1982 because the member able to appoint in accordance with Article XII, Section 3(c), informed the Managing Director before July 31 of each year, on the basis of the calculation that showed conclusively

^{1/} This is the same period of notice required by Section 4 of the By-Laws with respect to the time and place of each meeting of the Board of Governors.

it would be able to appoint, that it would exercise the right to appoint and would not participate in the election. This timely notice has permitted the Executive Board to consider the various other issues and to submit its recommendations and the regulations for each of these regular biennial elections to the Board of Governors for a vote without meeting well in advance of the Annual Meeting. 1/

As the calculations made under Article XII, Section 3(c) are to determine the average over the two-year period, the size of the changes in the Fund's holdings in the last two to four weeks required to change the result of the calculation made earlier would have to envisage purchases and repurchases of a magnitude that is highly improbable. It is highly probable therefore that the result under Article XII, Section 3(c) can be conclusively determined by the end of June. On the basis of such a determination (i) the Managing Director would be able to give the "six weeks" notice to all members required by Section 18(a) of the By-Laws, (ii) the member able to appoint under Article XII, Section 3(c) would be in a position to inform the Managing Director of its intentions with respect to whether it would appoint or participate in the election, and (iii) the Committee would be in a position to submit its recommendations, including the draft regulations, to the Executive Board in mid-July.

III. Size of the Executive Board and Critical Percentages

1. Changes in Votes Since 1982

Since the last regular election the quotas authorized under the Eighth Review of Quotas have come into effect. The total number of votes of all members is now 928,863, of which the votes of the members with the five largest quotas total 383,471, and the votes of Saudi Arabia equal 32,275, so that if Saudi Arabia again appoints, the total "eligible votes" for the 1984 election would be 513,118.

The Board of Governors adopted on April 4, 1984, the resolution offering membership to St. Christopher and Nevis with a quota of SDR 4.5 million, which would give it 295 votes. Mozambique has applied for membership and expressed the desire to complete all formalities before the Annual Meeting. The paper with a suggested range for the quota will have been issued by the time the Committee meets.

2. Size of the Executive Board

For the 1978, 1980 and 1982 regular biennial elections, Saudi Arabia was eligible to and did appoint an Executive Director for the terms

1/ EBD/78/150, Supplement 2 (7/10/78); EBD/80/199 (7/30/80); EBD/82/69 (7/2/82).

1978-1980, 1980-1982, and 1982-1984, in accordance with Article XII, Section 3(c). In connection with each of these regular elections, the Executive Board recommended and the Board of Governors agreed that the number of Executive Directors to be elected should not be reduced, as otherwise would have been required by the provisions of Article XII, Section 3(b). Further, in light of the then prospective increase in the quota of China that was expected to take effect before the 1980 regular election, the Executive Board recommended and the Board of Governors agreed that, if China's quota was in fact increased, the number of Executive Directors to be elected should be increased to 16.

The implications the quota increase for Saudi Arabia might have for the size and composition of the Executive Board led the Board of Governors to adopt the Resolution No. 36-3 on "Size and Composition of the Executive Board," which reaffirms the traditional objectives and considerations taken into account when determining the number of Executive Directors to be elected and stated the belief that the number of elected Executive Directors should be 16 or a greater number if needed to attain these objectives and considerations.

Resolution No. 36-3 on "Size and Composition of the Executive Board" states:

Resolved:

(1) The Board of Governors reaffirms that the Fund, when determining the number of Executive Directors to be elected in each regular election of Executive Directors, shall continue to be governed by the objectives and considerations, including the desirability of broadly maintaining the existing geographical balance in the composition of the Executive Board, set forth in Section 2(a) of Chapter 0, "Organizational Matters (Article XII and Schedules D and E)," in Part II, "Commentary" in Proposed Second Amendment to the Articles of Agreement of the International Monetary Fund, A Report of the Executive Directors to the Board of Governors.

(2) The Board of Governors expresses its belief that, to promote the objectives and considerations in (1) above, the number of Executive Directors to be elected in the next and subsequent regular elections will need to be sixteen and should be a greater number if necessary to promote these objectives and considerations.

Section 2(a) of Chapter 0, "Organizational Matters (Article XII and Schedules D and E)" of the Commentary on the Second Amendment is reproduced as Attachment I. The Report of the Executive Board of July 24, 1972, entitled Size and Structure of the Executive Board, which

was referred to in Section 2(a), is reproduced as Attachment II. On the understanding that Saudi Arabia would presumably be in a creditor position in the Fund for a number of years to come, the Executive Director appointed by Saudi Arabia confirmed, during the discussion on the subsequent increase in quota, that Saudi Arabia would continue to appoint an Executive Director as long as it was entitled to do so under the provisions of Article XII, Section 3(c).

On the basis of the belief expressed by the Board of Governors in Resolution No. 36-3, and the prospect that only Saudi Arabia will be able to appoint an Executive Director in accordance with Article XII, Section 3(c), the Committee may wish to recommend that the number of Executive Directors to be elected again be increased for the 1984 regular election in order that the total elected will remain at 16 for the term 1984-1986.

3. Critical Percentages

Schedule E, paragraph 2, provides that in the balloting the "fifteen persons receiving the greatest number of votes shall be Executive Directors, provided that no person who received less than four percent of the total number of votes that can be cast (eligible votes) shall be considered elected." When the prescribed number of Executive Directors are not elected on the first ballot, a second ballot is to be held in which only those Governors who voted for a candidate not elected, or whose votes increased the number of votes received by an Executive Director above nine percent of the eligible votes, may participate. Subsequent ballots, if necessary, would be conducted on the same principle.

For the 1978 regular election, no change was made in the critical percentages, but for the 1980 election, the percentage of 4 percent was increased to 4.2 percent. This increase in the lower critical percentage was part of the provision that set the number of Executive Directors to be elected at 16, but subject to the condition that only 15 Executive Directors would be elected if either the quota of China had not been increased before the balloting, or fewer than 16 nominees received at least 4.2 percent of the vote on the first ballot. For the 1982 regular election no change was made in critical percentages.

The Committee will wish to consider whether in the light of prevailing circumstances the 4 percent should be retained or another figure adopted for the lower critical percentage.

IV. Draft Supplementary Regulations for the Conduct of the 1984 Election

In addition to setting the number of Executive Directors to be elected and the critical percentages for the balloting under the rules

of Schedule E, the supplementary regulations for the conduct of the election cover a number of administrative and other matters, as indicated by the titles of the sections. A proposed draft of these supplementary regulations for the 1984 election are set forth in Attachment III. This draft is based on the regulations for the 1982 regular election.

In accordance with the provisional schedule for the 1984 Annual Meetings set out in Secretary's Circular No. 84/31 of March 30, 1984, the date for the election in the regulations is Tuesday, September 25. Nominations, under the standard text, would close at twelve o'clock noon on Monday, September 24, the first day of the meetings.

No change is made in the texts of the sections on the number of Executive Directors to be elected and the proportion of votes required to elect.

The paragraphs on "Ballots and Balloting" cover the administrative procedures for the conduct of the ballot, but also, in paragraphs 10 through 14, provide supplementary rules that have been considered to be the appropriate solutions to certain problems that had been confronted in past elections.

The rule in paragraph 14 permits a Governor who voted on the last ballot for a nominee not elected to have his votes deemed to have been cast for an elected Executive Director designated by that Governor. This rule applies not only to the first ballot, if it is also the last, but also the rule is intended to be applied in place of the rule in paragraph 6 of Schedule E, when the last ballot is a "subsequent" ballot that is being conducted to fill the last position of Executive Director to be elected.

Paragraph 15(b) was added in the 1980 supplementary regulations, but is similar to proposals that had been held out as a possible course of action for previous regular elections if it were felt that the results of the election did not reflect the objectives and considerations considered to be relevant to the size and composition of the Executive Board. The provision is necessary in order to bring the election of an additional Executive Director, if considered necessary, within the regular election as required by Article XII, Section 3(b), which provides for an increase in the number of Executive Directors to be elected only in the context of a regular election.

V. Points for Consideration

The following issues are for consideration by the Committee:

1. Whether the number of elected Executive Directors should be maintained at 16, taking account of the view of the Board of Governors expressed in Resolution No. 36-3.

2. Whether the critical percentages should be nine percent and four percent as set forth in Schedule E or should be changed in the light of the votes of the various constituencies.

[From the "Commentary" on the Second Amendment]

0. Organizational Matters (Article XII and Schedules D and E)

* * *

2. Various changes have been made in the provisions with respect to the Executive Board.

(a) The present Article XII, Section 3(b) prescribes that the number of Executive Directors shall not be fewer than twelve, of whom five must be appointed by the five members having the largest quotas, two must be elected by the American Republics not entitled to appoint Executive Directors, and five must be elected by the other members not entitled to appoint Executive Directors. Under the last sentence of the provision, the Fund, acting by a four-fifths majority of the total voting power, may increase the numbers of Executive Directors to be elected by the American Republics and by the other members beyond the numbers stated in the provision when members not listed in Schedule A enter the Fund. Under Article XII, Section 3(d) of the present Articles, the Fund must issue regulations changing the proportion of votes required to elect Executive Directors when the numbers are increased beyond those in the Articles.

In exercising its powers under the provisions referred to above, the Fund has been guided by the objectives of ensuring that the size of the Executive Board will contribute to the effective dispatch of its business, that a desirable balance will be maintained in the composition of the Executive Board, that the size of constituencies will not place undue burdens on Executive Directors and hinder the efficient conduct of the business of the Executive Board, that members will be as free as possible within the provisions of the Articles and the regulations for the elections to form the constituencies of their choice, and that a relative equilibrium will be achieved in the voting power of the constituencies electing Executive Directors. Some of these objectives and considerations were made explicit in the Report of the Executive Board to the Board of Governors of July 24, 1972 entitled Size and Structure of the Executive Board, which was noted by the Board of Governors, with particular reference to paragraphs 2 and 6, in Resolution No. 27-12 of the Board of Governors, adopted August 31, 1972. For the future, the objectives and considerations referred to will be relevant not only for the composition of the Executive Board but also for the Interim Committee and the Council on its establishment.

The Executive Board has agreed that the objectives and considerations referred to above should continue to guide the Fund. The Executive Board has concluded that the present number of elective Executive Directors, i.e., fifteen, gives effect to these objectives and considerations under present circumstances, and has agreed that this number of elective Executive Directors should be incorporated in the amended Articles in order to reflect the existing balance of areas and interests in the Executive Board.

Under the amended Article XII, Section 3(b) all members eligible to elect Executive Directors will participate in one election of all fifteen elective Executive Directors because the distinction made between the elections under Section 3(b)(iii) and (iv) of Article XII of the present Articles has been eliminated. The Board of Governors may increase or decrease the number of fifteen elective Executive Directors by an eighty-five percent majority of the total voting power. The exercise of this power is not limited by any criteria, such as the entry of new members into the Fund, in view of the broad objectives and considerations described above, by which the Fund would continue to be guided.

PRINCIPAL POLICY DECISIONS OF THE EXECUTIVE
BOARD AND REPORTS TO THE BOARD OF GOVERNORS

A. Size and Structure of
the Executive Board

Report of the Executive Directors to the Board of Governors

1. In the course of the preparation of the Rules for the Conduct of the 1970 Regular Election of Executive Directors, questions were raised relating to the size and structure of the Executive Board. One of the questions was the optimal size of the Executive Board. Under Article XII, Section 3(b) of the Articles of Agreement, when countries not listed in Schedule A enter the Fund, the Board of Governors, by a four-fifths majority of the total voting power, may increase the number of executive directors to be elected. In the course of the discussion, it was observed that each increase in the number of executive directors to be elected in the past had been based on the acceptance of membership by countries that had, as a minimum, the number of votes considered appropriate for an increase in the circumstances then prevailing. In 1970 the application of that test would not have justified an increase in the size of the Executive Board to 21, and the same is true in 1972. It was also pointed out, however, that the approach followed in the past was not mandatory under the articles, and that it was proper to take other factors into account, including the effect of the size of the Board on the dispatch of its business, in establishing the number of executive directors to be elected.

2. Another question that was discussed in 1970 stemmed from a request that the rules of election make provision for two seats for groups of countries in Africa. It was pointed out that the two additions, in 1963 and 1964, to the number of elected executive directors were based principally on the entry into the Fund during the early 1960s of a large number of countries in Africa. As a result, at present one executive director had been elected by 15 members and another by 18 members, all but one of which are in this area. There was broad support for the view that, if the large number of countries in this area were to elect only one executive director, the burden on him would be excessive, and he would be unable to give adequate attention to the interests of all members that elected him. Concern was expressed that this result would hinder the efficient conduct of the business of the Executive Directors, particularly when the interests of these members were involved.

There was widespread support for the view that it was desirable that this large number of countries should have the opportunity to elect two executive directors under the present Articles.

3. It was not intended to reach any conclusions on these questions before the 1970 election. It was felt that these and other questions related to the question of the size and structure of the Executive Board deserved further study. Accordingly, paragraph 7 of the Report of the Executive Directors to the Board of Governors on the rules for the 1970 election stated that:

The Executive Directors consider it desirable to continue to give attention to the problems of the size and structure of the Executive Board. They intend to complete a study of these matters within 2 years, bearing in mind the recurrent need to prepare for the biennial elections of Executive Directors.

4. Since the 1970 election, the Executive Board has discussed the following topics connected with the size and structure of the Executive Board:

- a. The consequences of the potential membership of numerous small states.
- b. Geographical and other patterns of distribution of directorships.
- c. Basic votes under Article XII, Section 5(a) and their relation to the election of executive directors.
- d. Additional assistance to executive directors.
- e. The possibility of new election rules for nominees of large groups of members.

5. As a first result of these discussions, in 1971 the Fund's administrative rules were changed by the Executive Directors to provide for the appointment of an Advisor to Executive Director, to assist each executive director who has been elected by more than ten members.

6. The Executive Board believes that, for the time being at least, the size of the Executive Board and the procedures for electing executive directors should continue as in the past. The Executive Board continues to be concerned, however, with the problem referred to in paragraph 2 above, and will consider it promptly and propose immediate action should the necessity arise.

7. In view of the foregoing, the Executive Board recommends that the Board of Governors adopt the following Resolution.

July 24, 1972

Resolution Submitted to the Board of Governors

The Board of Governors hereby resolves to take note of the Report of the Executive Directors on the Size and Structure of the Executive Board and in particular paragraphs 2 and 6 of the Report.

Board of Governors Resolution No. 27-12
Adopted August 31, 1972

REGULATIONS FOR THE CONDUCT OF THE 1984 REGULAR ELECTION OF
EXECUTIVE DIRECTORS

1. Definitions: In these Regulations, unless the context shall otherwise require:
 - (a) "Articles" means the Articles of Agreement of the Fund.
 - (b) "Board" means the Board of Governors of the Fund.
 - (c) "Chairman" means the Chairman or a Vice Chairman acting as Chairman of the Board.
 - (d) "Governor" includes the Alternate Governor or any temporary Alternate Governor when acting for the Governor.
 - (e) "Secretary" means the Secretary or any acting Secretary of the Fund.
 - (f) "Election" means the 1984 Regular Election of Executive Directors.
 - (g) "Eligible votes" means the total number of votes that can be cast in the election.
2. Date of Election: The election shall be held during a plenary session of the 1984 Annual Meeting to be held Tuesday, September 25, 1984.
3. Eligibility: The Governors eligible to vote in the election shall be all of the Governors except those of the members that:
 - (a) are entitled to appoint an Executive Director pursuant to Article XII, Section 3(b)(i);
 - (b) have notified the Managing Director, in accordance with the procedure established by the Executive Board, of their intention to appoint an Executive Director pursuant to Article XII, Section 3(c).
4. Schedule E: Subject to the supplementary regulations set forth herein, the provisions of Schedule E of the Articles shall apply to the conduct of the election.
5. Number of Executive Directors to be Elected: Sixteen Executive Directors shall be elected. "Sixteen persons" shall be substituted for "fifteen persons" in paragraphs 2, 3 and 6, and "fifteen persons" shall be substituted for "fourteen persons", and

"sixteenth" shall be substituted for "fifteenth" in paragraph 6 of Schedule E.

6. Proportion of Votes Required to Elect: In paragraphs 2 and 5 of Schedule E, "four percent", and in paragraphs 3, 4 and 5, " nine percent", shall not be changed.
7. Nominations:
 - (a) Any person nominated by one or more Governors eligible to vote in the election shall be eligible for election as an Executive Director.
 - (b) Each nomination shall be made on a Nomination Form furnished by the Secretary, signed by the Governor or Governors making the nomination, and deposited with the Secretary.
 - (c) A Governor may nominate only one person.
 - (d) Nominations may be made until 12 o'clock noon on the day before the day on which the election is scheduled to be held. The Secretary shall post and distribute a list of the persons nominated.
8. Supervision of the Election: The Chairman shall appoint such tellers and other assistants and take such other action as he deems necessary for the conduct of the election.
9. Ballots and Balloting:
 - (a) One ballot form shall be furnished, before a ballot is taken, to each Governor eligible to vote. On any particular ballot only ballot forms distributed for that ballot shall be counted.
 - (b) Each ballot shall be by a call of members whose Governors are eligible to vote and each ballot form, signed by the Governor, shall be deposited in the ballot box.
 - (c) When a ballot has been completed, the Chairman shall cause the ballot forms to be counted and shall announce the names of the persons elected promptly after the tellers have completed their tally of the ballot forms. If a succeeding ballot is necessary, the Chairman shall announce the names of the nominees to be voted on and the members whose Governors are eligible to vote.
 - (d) If the tellers are of the opinion that any particular ballot form is not properly executed, they shall, if possible, afford the Governor concerned an opportunity to correct it

before tallying the results, and the ballot form, if corrected, shall be deemed valid.

- (e) If a Governor does not vote on any ballot, he shall not be entitled to vote on any subsequent ballot and his votes shall not be counted, under Article XII, Section 3(1)(iii), towards the election of any Executive Director.
 - (f) If, at the time of any ballot, a member does not have a duly appointed Governor, such member or its Governor shall be taken not to have voted on that ballot.
10. If on any ballot there are more nominees than the number of Executive Directors to be elected and two or more nominees tie with the lowest number of votes, no nominee shall be ineligible for election in the next succeeding ballot, but if the same situation is repeated on such succeeding ballot, the Chairman shall eliminate by lot one of the nominees from the following ballot.
 11. If on any ballot two or more Governors having an equal number of votes have voted for the same nominee and the votes of one or more, but not all, of these Governors could be deemed under paragraph 4 of Schedule E to have raised the total votes received by the nominee above nine percent of the eligible votes, the Chairman shall determine by lot the Governor or Governors, as the case may be, who shall be entitled to vote on the next ballot.
 12. When on any ballot the number of nominees is the same as the number of Executive Directors to be elected, and no nominee is deemed to have received more than nine percent of the eligible votes, each nominee shall be considered elected by the number of votes received even though a nominee may have received less than four percent of the eligible votes.
 13. If the votes cast by a Governor raise the total votes received by a nominee from below to above nine percent of the eligible votes, the votes cast by the Governor shall be deemed under paragraph 4 of Schedule E not to have raised the total votes of the nominee above nine percent.
 14. Any member whose Governor has voted on the last ballot for a nominee not elected may, before the effective date of the election, as set forth in section 16 below, designate an Executive Director who was elected, and that member's votes shall be deemed to have counted towards the election of the Executive Director so designated.

15. Announcement and Review of Result:

- (a) After the tally of the last ballot, the Chairman shall cause to be distributed a statement setting forth the result of the election.
- (b) The Board of Governors, at the request of any Governor, will review the result of the election in order to determine whether, in light of the objectives set forth in Chapter O, Section 2 of the Report by the Executive Directors to the Board of Governors on the Proposed Second Amendment to the Articles of Agreement an additional Executive Director should be elected to serve for the term of office commencing November 1, 1984.

16. Effective Date of Election of Executive Directors: The effective date of election shall be November 1, 1984, and the term of office of the elected Executive Directors, and of any Executive Director appointed under Article XII, Section 3(c), shall commence on that date. Incumbent elected Executive Directors shall serve through October 31, 1984.

17. General: Any questions arising in connection with the conduct of the election shall be resolved by the tellers, subject to appeal, at the request of any Governor, to the Chairman and from him to the Board. Whenever possible, any such question shall be put without identifying the members or Governors concerned.