EB/CQuota/89/4

January 25, 1989

To: Members of the Committee of the Whole
           on Review of Quotas

From: The Acting Secretary

Subject: Ninth General Review of Quotas - Further Consideration of the
           Shares of Developing Countries in the Fund

           There is attached for consideration by the Committee of the
Whole a paper on further consideration of the shares of developing
countries in the Fund in connection with the Ninth General Review of
Quotas. A summary and conclusions appear on pages 13-15.

           Mr. Roncesvalles (ext. 8338) or Mr. Tweedie (ext. 7811) is
available to answer technical or factual questions relating to this
paper prior to the Committee's discussion scheduled for Friday,
February 10, 1989.

Att: (1)

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Department Heads

INTERNATIONAL MONETARY FUND

Ninth General Review of Quotas - Further Consideration
of the Shares of Developing Countries in the Fund

Prepared by the Treasurer's Department

Approved by David Williams

January 25, 1989

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I. Introduction

In September 1988, the Committee of the Whole discussed the staff paper on "Ninth General Review of Quotas - The Share of the Developing Countries in the Fund," (EB/CQuota/88/7, 8/9/88). In that paper it was noted that as a consequence of the potential decline in the combined quota share of the group of non-oil developing countries, the share in voting power of most such countries would also decline and by larger proportionate amounts, reflecting the continuing fall in the importance of the basic votes as quotas increase. Furthermore, such a decline in voting power would occur even if the whole of the increase in quotas were distributed on an equiproportional basis. The staff paper illustrated two basic approaches for mitigating the possible decline in the share of the non-oil developing countries in the Fund, namely an increase in the basic votes allocated to each member, and the use of constraints on the distribution of increases in quotas under the Ninth Review so as to maintain the shares of particular groups of members in total voting power or quotas. Directors noted that a change in the number of basic votes would not be a practical alternative in connection with the Ninth Quota Review. Furthermore, many Directors affirmed their earlier positions that the distribution of quota increases should be based on uniform methods and should not be constrained to maintain the shares in voting power or quotas of particular groups of members. 1/

The Committee agreed to return to the issue of the shares of developing countries in the Fund and to examine further the issue of possible mitigation of the decline in voting power of members with relatively small quotas. The extent and incidence of any reduction in members' shares in quotas and in voting power depend on the size of the overall increase, its distribution between equiproportional and selective elements, and the method used to distribute selective increases as well as on the size of the member's quota. Accordingly, this paper reviews the position of those members with relatively small quotas, and in particular those of the developing countries, on the basis of the most recent set of illustrative quota calculations issued to the Committee of the Whole in EB/CQuota/89/1 (1/6/89), and Supplement 1 (forthcoming), and considers illustrative techniques that might be considered if it were decided to mitigate the decline in the share of members with relatively small quotas in the Fund which occurs because of an overall increase in quotas. A paper reviewing the position of very small quotas is being issued concurrently with this paper (EB/CQuota/89/3), and can be considered in the light of the discussion presented in this paper.

The paper is organized as follows. Section II discusses the changes in the shares of members in connection with an overall increase in quotas, and reviews the impact of quota increases on the position of

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1/ Meetings 88/8, 9/1/88 and 88/9, 9/2/88 of the Committee of the Whole on the Ninth Review of Quotas.

members with relatively small quotas, i.e., those with quotas that are
below average in size. Section III discusses possible methods to
mitigate the decline in relative voting power of developing members, in
particular those with relatively small quotas. Section IV presents a
summary and conclusions.

II. Changes in Shares of Members in the Fund

In view of the concern expressed by many Directors over the
reduction in relative voting power and shares in quotas of members with
relatively small quotas, most of which are developing countries and, in
particular, of the low-income countries eligible for SAF/ESAF
arrangements, it may be useful to review briefly the position of these
members in the context of the illustrative calculations of quota
increases that were most recently issued to the Committee of the Whole
in EB/CQuota/89/1 and Supplement 1 (forthcoming).

As noted in EB/CQuota/88/7, members with relatively small quotas,
i.e., members with quotas smaller than the average-size quota, have a
larger share in the total voting power than their share in total quotas
because of the fixed number of basic votes for each member. An
increase in quotas dilutes the significance of the basic votes and
leads to a reduction in shares in voting power for the smaller
countries. The average-size quota at present is SDR 596 million and as
indicated in "Participation of the Developing Countries in the Decision
Making of the Fund: Questions Regarding Basic Votes" (SM/80/235,
10/17/80) the extent by which an individual member's share in voting
power will decline or increase will be in proportion to the amount by
which its new quota falls below or exceeds the new average quota, i.e.,
the member with the lowest quota will have the largest proportionate
decline in its voting power, and the member with the highest quota will
have the largest proportionate increase in voting power.

1. Relative size of the equiproportional increase

Table 1-A shows the impact on the aggregate shares in quotas of
various illustrative increases in quotas and with various methods of
distributing the non-equiproportional element, as discussed in
EB/CQuota/89/1 and Supplement 1. As can be seen, using Method A, the
aggregate share of the non-oil developing countries in quotas would
fall by 1.4 percentage points if, for example, the overall increase
were SDR 60 billion, and the equiproportional element amounted to 50
percent of the overall increase. The corresponding decline in shares
in voting power would amount to 2.2 percentage points (see Table 1-B).
A broadly similar relationship also emerges between the relative size
of the equiproportional element and the combined share of subgroups
within the group of non-oil developing countries. In general, the
larger the equiproportional element in distributing an overall increase
in quotas (or, alternatively, the smaller the overall increase in

Table 1-A. Percentage Decline in Aggregate Quota Shares of Non-oil Developing
Countries and ESAF-Eligible Countries Under Alternative
Illustrative Quota Distributions 1/

(In percent of total quotas)

	Decline in share of of non-oil developing countries for a Fund of:			Decline in share of ESAF-eligible countries for a Fund of:		
	SDR 125 billion (1)	SDR 150 billion (2)	SDR 180 billion (3)	SDR 125 billion (4)	SDR 150 billion (5)	SDR 180 billion (6)
1. Illustrative quotas using Method A 2/						
50/50	-0.976	-1.394	-1.742	-0.413	-0.590	-0.738
40/60	-1.171	-1.672	-2.090	-0.496	-0.708	-0.885
25/75	-1.464	-2.090	-2.612	-0.620	-0.885	-1.106
2. Illustrative quotas using a combination of Method A and Method B with a short-list of 39 members 2/						
50/40/10	-1.301	-1.858	-2.322	-0.456	-0.651	-0.813
40/50/10	-1.496	-2.137	-2.670	-0.538	-0.769	-0.961
25/65/10	-1.789	-2.555	-3.193	-0.662	-0.946	-1.182
3. Illustrative quotas using a combination of Method A and Method B with a short-list of 16 members 2/						
50/45/5	-1.027	-1.467	-1.833	-0.431	-0.615	-0.769
40/55/5	-1.222	-1.746	-2.181	-0.514	-0.734	-0.917
25/70/5	-1.515	-2.163	-2.704	-0.638	-0.911	-1.138

1/ Based on the range of distributive techniques illustrated in EB/CQuota/89/1, where the data for ESAF-eligible countries exclude the two above-average size members (India and China).

2/ With alternative apportionments of the overall increase into equiproportional increases and selective increases distributed according to Method A and, where applicable, Method B with a short list, as illustrated.

Table 1-B. Percentage Decline in Aggregate Shares in Voting Power of Non-oil Developing Countries and ESAF-Eligible Countries Under Alternative Illustrative Quota Distributions 1/

(In percent of total votes)

	Decline in share of of non-oil developing countries for a Fund of:			Decline in share of ESAF-eligible countries for a Fund of:		
	SDR 125 billion (1)	SDR 150 billion (2)	SDR 180 billion (3)	SDR 125 billion (4)	SDR 150 billion (5)	SDR 180 billion (6)
1. Illustrative quotas using Method A 2/						
50/50	-1.512	-2.170	-2.723	-0.779	-1.118	-1.403
40/60	-1.702	-2.442	-3.064	-0.860	-1.233	-1.548
25/75	-1.986	-2.850	-3.576	-0.980	-1.406	-1.764
2. Illustrative quotas using a combination of Method A and Method B with a short-list of 39 members 2/						
50/40/10	-1.828	-2.623	-3.291	-0.820	-1.177	-1.477
40/50/10	-2.017	-2.895	-3.633	-0.901	-1.292	-1.622
25/65/10	-2.302	-3.303	-4.145	-1.021	-1.465	-1.838
3. Illustrative quotas using a combination of Method A and Method B with a short-list of 16 members 2/						
50/45/5	-1.562	-2.241	-2.812	-0.797	-1.143	-1.434
40/55/5	-1.751	-2.513	-3.154	-0.877	-1.258	-1.579
25/70/5	-2.036	-2.921	-3.665	-0.997	-1.431	-1.795

1/ Based on the range of distributive techniques illustrated in EB/CQuota/89/1, where the data for ESAF-eligible countries exclude the two above-average size members (India and China).

2/ With alternative apportionments of the overall increase into equiproportional increases and selective increases distributed according to Method A and, where applicable, Method B with a short list, as illustrated.

Table 1-C. Summary of Overall Adjustment Coefficients Under Alternative
Illustrative Quota Distributions 1/

(In percent)

	Fund of SDR 125 billion (1)	Fund of SDR 150 billion (2)	Fund of SDR 180 billion (3)
1. Illustrative quotas using Method A 2/			
50/50	14.0	20.0	25.0
40/60	16.8	24.0	30.0
25/75	21.0	30.0	37.5
2. Illustrative quotas using a combination of Method A and Method B with a short-list of 39 members 2/			
50/40/10	18.5	26.3	32.7
40/50/10	21.3	30.3	37.7
25/65/10	25.5	36.3	45.1
3. Illustrative quotas using a combination of Method A and Method B with a short-list of 16 members 2/			
50/45/5	21.6	30.3	37.3
40/55/5	24.4	34.2	42.1
25/70/5	28.5	40.1	49.2

1/ Based on the range of distributive techniques illustrated in EB/CQuota/89/1.

2/ With alternative apportionments of the overall increase into equiproportional increases and selective increases distributed according to Method A and, where applicable, Method B with a short list, as illustrated.

quotas in relation to the equiproportional increase), the smaller is the aggregate decline in the shares of the non-oil developing countries in the Fund.

2.   Distribution method and the average adjustment coefficient

     Table 1-C shows the extent of the adjustment of shares in quotas that can be achieved--i.e., the size of the adjustment coefficient--for a given size of both the overall quota increase and the equiproportional component. Table 1-C shows that the fastest overall adjustment toward calculated quota shares can be obtained when Method B with a relatively short list of selective increases is combined with Method A. It can also be seen that a combination of Methods A and B permits the largest equiproportional increase for a given adjustment coefficient and size of the Fund, and produces results for the aggregate shares of the non-oil developing countries that are very similar to those of using only Method A. For example, it would be possible to have an adjustment coefficient of as much as 30 percent (compared with an adjustment coefficient of 19 percent under the Eighth Review) on the basis of a Fund size of SDR 150 billion, with a combination of Methods A and B, while also permitting an equiproportional increase that accounts for 50 percent of the overall increase. Slower rates of adjustment toward calculated quota shares are obtained with Method A alone or in combination with Method B where the latter is applied to a list of 39 members receiving selective increases.

     The size of the equiproportional increase and the average size of the adjustment coefficient provide a useful framework for the purpose of choosing among alternative methods of distributing a quota increase. It should, however, be noted that the choice of the method to distribute the overall increase in quotas is essentially a matter of judgment as regards the emphasis to be given to the extent to which members' quotas should be adjusted toward their relative economic positions, as measured by the calculated quotas. One important consideration in coming to a judgment on the distribution of an overall increase is the extent of possible shifts in members' shares in quotas and voting power that would be generally acceptable to the membership, or whether certain mitigation techniques might be considered appropriate, such as, for example, the adoption of a small quota policy in the period 1955-65 or special rounding techniques as were applied to the very small quotas on the occasion of the Eighth General Review.

     The following section presents some general mitigation techniques that could be considered in the event it was agreed to limit shifts in relative voting power, but within the context of bringing members' positions closer to their relative economic positions, as indicated by their shares in calculated quotas.

III. Alternative Approaches for Mitigating the Decline in the Shares in the Fund of Developing Countries

1. Uniform techniques

As discussed in Section II above, the choice from among the various parameters that enter into uniform techniques of distributing quota increases, or combinations of such techniques, is itself a factor that could be considered for the purpose of mitigating the decline in the combined position of relatively small quotas and in particular the shares of developing countries in the Fund. Such parameters include mainly: (i) the relative size of the equiproportional element in the quota increase; (ii) the average size of the adjustment coefficient; and (iii) in the case of a combined use of Methods A and B, the number of members eligible for Method B selective increases and the total amount of such selective increases. Furthermore, for a given apportionment of an overall increase into equiproportional and selective components, the shifts in members' shares in quotas and voting power would be larger, the greater the size of the overall increase in quotas. In general, then, the decline in the shares in quotas and voting power of the relatively small members in the Fund would tend to be mitigated the greater is the equiproportional element, the smaller the adjustment coefficient, and the smaller the number and amount of Method B selective increases.

The question arises as to whether it would be possible to derive a formula, or a class of formulas, that would help mitigate the decline in voting power, and thereby in shares in quotas, of members with relatively small quotas without the use of predetermined constraints based on a given country classification, and without fundamentally altering the contours of the quota review such as the size of the overall increase and its distribution, as adjustments in quotas should, inter alia, reflect members' relative economic positions. Such an approach could, for example, provide for part of the increase in quotas to reflect the nature of the Fund's voting system, which is a combination of basic votes (fixed at 250 per member) and the votes that are related to the size of quota (one vote per SDR 100,000 of quota). 1/

1/ It may be recalled that at the Committee of the Whole discussion in September 1988, one Executive Director suggested a technique that would distribute quota increases in a manner that would retain the level of basic votes at 250, avoid defining groups of members, take into account only the size of the equiproportional component of the quota increase, and distribute the equiproportional component in a manner that individual members' relative voting power, as distinguished from quota shares, is maintained.

Under the existing method of allocating voting power in the Fund, a member's total number of votes increases by 10 for every SDR 1 million of quota increase since the number of basic votes is fixed. In order to offset the impact of the reduced importance of basic votes in a member's total votes, it would be necessary as a general rule to augment a quota increase by a fixed absolute amount of quota increase-- the mitigation factor--for each member. The size of the mitigation factor would need to be determined in proportion to both the aggregate size of the overall quota increase (in relation to total present quotas) and the fixed amount of quota increase that yields the same number of votes as the basic vote (SDR 25 million). 1/ Thus, for example, a doubling of quotas together with an additional increase of a fixed amount of SDR 25 million for each member, would double each member's number of votes and would maintain unchanged the relative voting power of all members, since the additional SDR 25 million increase has the same effect as a doubling of the size of the basic vote from 250 to 500 for each member. 2/

1/ Mathematically, such a general rule can be formulated approximately as follows:

$$Q_n = Q_p + \Delta Q_r + 25(T_n/T_p - 1)$$

where Q_n and Q_p are new and present quotas, respectively, of a member, in millions of SDRs, ΔQ_r is the general quota increase (which would comprise both an equiproportional and a selective component), and T_n and T_p are the aggregates of new and present quotas, respectively. See Appendix.

2/ The proportionate increase in votes of a relatively small member (Belize) and a large member (Canada) under a doubling of quotas or a 40 percent general quota increase, plus the provision of a fixed amount of SDR 25 million or SDR 10 million, respectively, is as follows:

	Present quota, in SDR millions	Present votes	Doubling of quota plus SDR 25 million (votes)	Percentage increase in votes	40 percent quota increase plus SDR 10 million (votes)	Percentage increase in votes
Belize	9.5	345	690	100	483	40
Canada	2,941	29,660	59,320	100	41,524	40

Since the voting power of both these countries increase by the same proportion, their relative shares in voting power would remain unchanged. In the absence of the additional fixed amounts of quota increase, the relative voting power of the smaller (larger) member would fall (rise).

As discussed previously in EB/CQuota/88/7, while increasing all quotas by SDR 25 million would have the same effect as a doubling of the size of basic votes, it would also unduly benefit those countries with relatively small quotas. It would also have the effect of reintroducing a minimum quota in the Fund, which, as explained in EB/CQuota/89/3, could result not only in unduly large quotas in relation to the members' relative economic position but also in relatively large access to the Fund's resources. 1/ In order to avoid such difficulties, consideration would need to be given to a mitigation scheme that would provide for an adjustment in quotas that is related to present quota size and which would reduce but not fully offset, the fall in relative voting power for those members with relatively small quotas as the overall size of the Fund is increased.

2. Illustrative mitigation schemes

On the assumption that the quota increase for a member would comprise equiproportional and selective components, a further component of the increase could be considered that would partly mitigate the impact of the overall quota increase on the quota shares and relative voting power of members with relatively small quotas. Together, these three components of the increase in quotas would have to be contained within an agreed overall increase in quotas. It would therefore be reasonable to ensure that the mitigation factor is relatively small, in order not to disturb, as noted above, the broad elements upon which a uniform distribution of the increase in quotas might be agreed.

An illustrative scheme 2/ for mitigating the effects on relatively small quotas of the overall increase in quotas and the method used in its distribution could take one of the following forms:

Scheme I: A mitigation factor would be provided to each member, which would be set at a fraction of SDR 25 million, which is the amount needed to effectively maintain the relative importance of the basic votes in a member's voting power. The precise size of the mitigation factor would depend on the size of the overall increase; for example, and as noted above, the mitigation factor would amount to SDR 25 million if the size of the Fund were doubled, or SDR 9.7 million if the Fund were increased to SDR 125 million (see Appendix for the size of

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1/ It may be noted that such access considerations were not relevant when the World Bank implemented a similar approach in 1979 by allocating 250 shares to each member over and above the allocation under the 1979 General Capital Increase, given that access to Bank credits are not normally determined, as in the Fund, in proportion to members' capital subscriptions.

2/ See Appendix for a more detailed description of these illustrative mitigation schemes.

the mitigation factor in the context of different sizes of Fund).
However, it would also be necessary to subject the mitigation factor to
a constraint, for example, that it would not be more than 5 or 10
percent of a member's present quota, thereby avoiding the possibility
that the mitigation factor would constitute an unduly large component
of the member's quota increase. 1/ It may be noted that variants of
Scheme I could also be considered, for example, in the form of smaller
mitigation factors or different constraints.

   Scheme II: The mitigation factor could be graduated in inverse
proportion to the member's quota in relation to the size of the average
quota of, at present, SDR 596 million. The mitigation factor would, as
in Scheme I, need to be constrained, for example, at 5 or 10 percent of
present quotas, so as to avoid introducing distortions in the quota
structure. In this scheme, the mitigation factor is zero for those
members (30) with large quotas and whose voting power would increase as
a result of the overall increase in quotas. The remaining members
(120) with below average-size quotas, would receive some mitigation as
part of its quota increase. The closer the quota is to the average-
size quota, the smaller the mitigation factor and the smaller the quota
the larger the mitigation factor, subject to an agreed constraint that
the mitigation component of the increase in quota should not exceed,
for example, 10 percent of present quota. For example, Pakistan with a
present quota of SDR 546.3 billion would have a mitigation element of
SDR 4.5 million (0.82 percent of its present quota), whereas a much
smaller member, for example, Belize would have a mitigation element of
SDR 0.93 million, which is 9.8 percent of its present quota of SDR 9.5
million. In absolute amounts, the mitigation element for individual
members under Scheme II ranges between SDR 0.2 million to SDR 15.0
million.

   In general, the illustrative mitigation schemes have the
characteristic feature of providing either the same absolute amount of
quota increase to each member, in addition to the equiproportional and
selective increases that might be agreed, or a differentiated quota
increase that is somewhat larger, in percentage terms, for the smaller
members. The former case, illustrated by Scheme I, is based on the
formula that would maintain individual members' shares in voting power,
e.g., by increasing all quotas by SDR 25 million in the case of an
overall increase of SDR 90 billion. Alternatively, and as illustrated
in Scheme II, the mitigation element would be provided in the form of
an additional quota increase that is scaled in inverse proportion to
the size of the member's present quota. In both schemes, the

   1/ The mitigation factor is equal to, say, a 10 percent ceiling at
the point when the member's quota is exactly equal to 10 times the
mitigation factor--in the context of a Fund size of, say, SDR 150
billion--the mitigation factor is SDR 16.7 million and the constraint
of 10 percent is applicable for quotas of SDR 167 million or less.

mitigation element is subject to a constraint, expressed as a percentage of present quota. The result of both schemes is to provide a relatively small "starting advantage" for the smallest members in the context of a general quota review.

Table 2 presents a summary of the important characteristics of the mitigation schemes outlined above; the effects of the illustrative mitigation schemes on quotas, quota shares and voting power for all members in the context of an illustrative size Fund of SDR 150 billion are presented in Appendix Tables 1 and 2. In general, the aggregate size of the additional quota increases arising from the mitigation factor, with a constraint, is small; for example, it is of the order of 1.3-2.5 percent of the overall quota increase in a Fund of SDR 150 billion (line 2 of Table 2). All members participate in the mitigation element under Scheme I, whereas only those (120) members with below-average quotas are eligible for additional quota increases under Scheme II.

As regards the impact of the mitigation factor, it can be seen from Table 2 (lines 5 and 6) that in the absence of mitigation schemes, the use of Method A (with, for example, a 40/60 equiproportional/ selective apportionment) would reduce the quota shares of the non-oil developing countries by 1.67 percent, and their shares in voting power by 2.44 percent, in an illustrative Fund of SDR 150 billion. The mitigation schemes would limit the declines in quota share to 1.23-1.33 percent, while the fall in shares in relative voting power would be limited to less than 2.11 percent. The impact of the illustrative schemes is slightly greater for Scheme I than for Scheme II. It would of course be possible to effect mitigation schemes that have a somewhat greater or lesser impact than the schemes illustrated, through changing the relevant parameters or coefficients that enter into such schemes. If it were desired to adopt a mitigation scheme, it is for consideration to what extent the impact of the effect of a uniform distribution of an agreed overall increase in quotas on changes in relative voting power should be modified without departing from the principle that adjustments in members' quota shares should reflect their relative positions in the world economy.

3. <u>Rounding procedures for the Ninth Review</u>

A further set of possible techniques for protecting the position of the very small quotas in the Fund, which has been considered in connection with previous quota reviews, would be by way of rounding procedures. For individual members, the impact of alternative rounding schemes on their quotas is essentially arbitrary and, as occurred under the Eighth Review, such techniques may in some cases add to, rather than reduce, existing discrepancies in the structure of small quotas in the Fund. For this reason, and also to avoid disturbing the structure of quotas in the next higher class while at the same time not noticeably exceeding the agreed size of the overall increase in quotas,

Table 2. Summary of Alternative Schemes for Mitigating the
Impact of Quota Increases on Members with Small Quotas

(Based on a Fund size of SDR 150 billion)

	Method A only 1/	Mitigation schemes	
		I	II
1. Range of size of ΔQ_m, in percent of present quota			
Maximum		10.0	9.97
Minimum		0.09	--
2. Total of ΔQ_m, in percent of overall increase		2.5	1.3
3. Number of members receiving non-zero ΔQ_m		150	120
4. Number of members receiving differentiated ΔQ_m		89	120
5. Change in quota shares, in percent of total quotas			
Developing countries:	-0.867	-0.430	-0.563
Non-oil developing	-1.672	-1.228	-1.331
ESAF-eligible 2/	-0.708	-0.515	-0.537
Quotas below SDR 50 million	-0.099	-0.036	-0.035
Quotas below SDR 10 million	-0.011	-0.005	-0.005
6. Change in shares in voting power, in percent of total votes			
Developing countries	-1.612	-1.185	-1.315
Non-oil developing	-2.442	-2.009	-2.109
ESAF-eligible 2/	-1.233	-1.044	-1.067
Quotas below SDR 50 million	-0.578	-0.516	-0.515
Quotas below SDR 10 million	-0.218	-0.212	-0.211

1/ Using Method A with a 40/60 equiproportional/selective
apportionment to distribute the bulk of the quota increase (i.e.,
excluding the mitigation component ΔQ_m). See Appendix for the
formulas used to calculate the mitigation component.
2/ Excluding the two above-average size members (India and China).

it would be important that any such adjustment be limited in the light of the size and distribution of the overall increase.

By way of example, it would be possible to repeat the approach which was adopted under the Eighth Review, viz, the quotas of members with quotas then under SDR 10 million were rounded up in multiples of SDR 0.5 million, with all other members' quotas rounded up in multiples of SDR 0.1 million. Alternatively, consideration might be given to apply different rounding amounts to members grouped according to the size of quotas and which could provide for a somewhat larger adjustment on average in the relatively small quotas. This technique was suggested but not pursued at the time of the Eighth Review. 1/ Under this technique, quotas could be divided into certain classes for the purpose of determining the final rounded quotas; for example, classes of quotas might be increased at intervals of, say, SDR 2.5 million up to SDR 20 million, and quotas might be rounded up within each class to the maximum level within each class--e.g., quotas that are between SDR 2.5 million and SDR 5 million could be raised to SDR 5 million, and quotas in excess of SDR 20 million could be rounded to the next higher SDR 1 million. Such a method of rounding, which would not imply the re-establishment of a minimum quota for new members, would add to the size of the overall increase in an amount that is directly related to the number of members involved and the size of the class intervals chosen; for a Fund size of SDR 150 billion, for example, the additional increase would be approximately SDR 90 million, or 0.15 percent of the overall quota increase, if proposed quotas below SDR 20 million were divided into class intervals of SDR 2.5 million and rounded up to the top of the ranges determined by those intervals, and quotas in excess of SDR 20 million were rounded to the next higher SDR 1 million. 2/

IV. Summary and Conclusions

1. This paper has reviewed the potential changes in the relative voting power (hence share in quotas) of members with relatively small quotas, in particular developing countries, taking into account previous discussions of this matter in the Committee of the Whole and the illustrative calculations of quota increases presented in EB/CQuota/89/1 and Supplement 1 (forthcoming).

2. While it would be possible to constrain the distribution of quota increases on the basis of a given classification of countries, such as the IFS presentation, or to amend the Articles to change the method of

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1/ See EB/CQuota/82/12, p.8.
2/ In this example, the rounding procedure would add about SDR 25 million for the 20 members with proposed quotas below SDR 20 million, and SDR 65 million for the other 130 members.

allocating votes, in previous discussions of the Committee these approaches to maintaining the relative voting power of developing countries in the Fund have not received broad support, and, on balance, the Committee concluded that an increase in quota should be distributed using uniform techniques.

3.   As requested by the Committee, further consideration has been given in this paper to schemes that could mitigate in part the reduction that occurs with an increase in quotas in the relative voting power of the members with relatively small quotas, but which would avoid the use of predetermined constraints based on a given country classification.

4.   The illustrative mitigation schemes presented in this paper provide for additional quota increases--the mitigation factor--over and above the increase(s) that would be calculated on the basis of uniform techniques. The increase in quota arising from the mitigation factor would be calculated within the agreed ceiling for the overall increase and would therefore affect the amount to be distributed on the basis of uniform methods. A possible mitigation approach would be to provide a fixed absolute amount of quota increase to each member, minimizes distortions between relatively small members and others by modifying the mitigation factor for the smallest members by relating it to the members' present quotas, subject to an agreed constraint. For example, relative voting power would remain unchanged if quotas were doubled, the increase was distributed entirely in an equiproportional manner, and the mitigation factor was equal to SDR 25 million (the equivalent in quotas of the amount of the basic votes). Alternatively, the mitigation factor could be graduated inversely with the size of quota, subject to an agreed constraint, and provided only to those members with below average-size quotas, i.e., those quotas of SDR 596 million or less. In brief, the mitigation element may be conceived of as an augmentation of the equiproportional element of the quota increase for the relatively small members, or as an additional quota increase that is small both in absolute amount and in relation to quota increases for the larger members.

5.   The aggregate size of the mitigation factor illustrated in this paper has been limited to less than 2.5 percent of an illustrative overall quota increase and to not more than 10 percent of members' present quotas. The impact of the mitigation factor is to reduce noticeably the decline in the shares in quotas and voting power of all members (including the non-oil developing countries) with relatively small quotas (see Table 2 and Appendix Tables 1 and 2), and to spread its impact very widely over all remaining members. The application of the mitigation schemes on the scale illustrated in this paper, while giving somewhat less emphasis to the uniform distribution techniques discussed by the Committee, would not materially qualify the adjustment toward members' relative economic positions, as indicated by their

shares in calculated quotas, that is widely accepted as an important element in distributing an increase in quotas.

6.   Another mitigation approach would be to reintroduce procedures that would systematically round up the final agreed quotas under the Ninth Review. The Seventh and Eighth Reviews effectively eliminated rounding in the process of determining the quotas of most members. It may be recalled that in connection with the Eighth General Review, however, many Executive Directors felt that the very small quotas should be given special treatment to reflect their particular needs, and it was agreed to round the quotas of 17 members with quotas of SDR 10 million or less in multiples of SDR 0.5 million, while the quotas of all other members were rounded in multiples of SDR 0.1 million. It would also be possible to consider a somewhat larger rounding adjustment of quotas agreed under the Ninth Review in the context, say, of a range of different rounding procedures applied to members grouped according to the size of proposed quotas. Alternatively, the application of the rounding procedures of the Eighth Review could be combined with a mitigation scheme of the type illustrated in this paper. In particular, such a scheme would need to be such as to generally avoid introducing distortions in the quota structure while also respecting the principle that quotas should reflect members' relative positions in the world economy.

Illustrative Schemes for Mitigating the Decline in Shares
in Quotas and Voting Power of Relatively Small Fund Members

This Appendix presents the formulas for calculating the mitigation factor in individual quota increases. The results of the calculations for individual members for an illustrative Fund size of SDR 150 billion are presented in Appendix Tables 1 and 2. Two approaches have been developed: the first, referred to as Scheme I in the text of this paper, is based on an approach that would provide a flat amount of mitigation for each member. An alternative approach, exemplified by Scheme II, presents the mitigation factor as an additional quota increase, the size of which is inversely related to the size of a member's present quota. In both schemes, the additional quota increase is subject to a constraint amounting illustratively to 10 percent of present quotas.

1.   Individual quota increases

Let the quota increase for a member comprise both an equiproportional and a selective component under a quota review (ΔQ_r) and a further component--the mitigation factor (ΔQ_m), i.e.:

$$Q_n = Q_p + \Delta Q_r + \Delta Q_m$$

where Q_n and Q_p are new and present quotas, respectively, in millions of SDRs. For all members, the customary quota increases and the mitigation components sum to the overall size of the quota increase that might be agreed under the quota review.

2.   Formulas

The following formulas are employed under the illustrative schemes to determine ΔQ_m:

Scheme I: $\Delta Q_m = \begin{cases} 25a \text{ for } Q_p > 250a \\ 10 \text{ percent of } Q_p \text{ for } Q_p \leq 250a \end{cases}$

where a = size of the overall quota increase, expressed as a proportion of total present quotas.

Scheme II: $\Delta Q_m = \begin{cases} 0.1\, Q_p\, (1-Q_p/Q_{avg}) \text{ for } Q_p < Q_{avg} \\ 0 \text{ for } Q_p \geq Q_{avg} \end{cases}$

where Q_{avg} is the average-size quota at present (SDR 596 million).

3. Comparison of the mitigation schemes

For a given size of the overall quota increase, Scheme I provides for a fixed amount of additional quota increase subject to the constraint that it not exceed 10 percent of present quota. As noted in the text of the paper, this fixed amount of quota increase is that which would maintain members' relative voting power when quotas are increased. The fixed amount of quota increase varies according to the size of the overall increase, as follows:

		Additional quota increase, in
Overall increase	Fund size	millions of SDRs
(in billions of SDRs)		
35	125	9.7
60	150	16.7
90	180	25.0

Scheme II provides an additional quota increase only for members with below-average quotas. The increase is 10 percent of present quota, reduced by a factor related to the ratio of a member's present quota to the average-size quota. For example, the determination of the additional increase for two different-sized members, Pakistan and Belize, is as follows:

	Present quota	10 percent of quota	Ratio of quota to average- size quota	1 - ratio in col.(3)	Additional increase, col.(2) x col.(4), in SDR millions
	(SDR millions)				
	(1)	(2)	(3)	(4)	(5)
Pakistan	546.3	54.6	0.917	0.083	4.5
Belize	9.5	0.95	0.016	0.984	0.9

The additional quota increase approaches zero for the member whose present quota is closest to the average-size quota, and the additional

increase approaches 10 percent of present quota for the smallest member.

TABLE 1. ILLUSTRATIVE QUOTAS UNDER ALTERNATIVE MITIGATION SCHEMES FOR A
FUND OF SDR 150 BILLION 1/

(IN SDR MILLIONS)

	PRESENT QUOTAS (1)	METHOD A (40/60) (2)	ALTERNATIVE MITIGATION SCHEMES	
			I (3)	II (4)
UNITED STATES	17,918.3	30,010.5	29,724.0	29,855.5
UNITED KINGDOM	6,194.0	9,723.8	9,652.0	9,678.6
GERMANY	5,403.7	9,341.4	9,259.4	9,291.0
FRANCE	4,482.8	7,518.1	7,458.7	7,479.2
JAPAN	4,223.3	8,251.5	8,167.2	8,199.9
SAUDI ARABIA	3,202.4	5,992.1	5,938.8	5,956.3
CANADA	2,941.0	4,879.1	4,847.2	4,854.3
ITALY	2,909.1	5,020.1	4,983.8	4,993.0
CHINA	2,390.9	3,582.9	3,569.7	3,567.6
NETHERLANDS	2,264.8	3,869.0	3,845.5	3,848.5
INDIA	2,207.7	3,167.5	3,160.2	3,155.2
BELGIUM	2,080.4	3,430.9	3,413.8	3,413.6
AUSTRALIA	1,619.2	2,507.6	2,502.0	2,496.2
BRAZIL	1,461.3	2,393.3	2,386.6	2,381.3
VENEZUELA	1,371.5	2,074.2	2,073.3	2,065.2
SPAIN	1,286.0	2,156.3	2,151.1	2,145.1
MEXICO	1,165.5	1,952.8	1,949.7	1,942.7
ARGENTINA	1,113.0	1,590.3	1,595.0	1,584.1
SWEDEN	1,064.3	1,809.0	1,807.0	1,799.5
INDONESIA	1,009.7	1,649.1	1,649.7	1,640.9
SOUTH AFRICA	915.7	1,509.9	1,511.7	1,502.3
NIGERIA	849.5	1,430.7	1,432.8	1,423.2
AUSTRIA	775.6	1,342.5	1,345.0	1,335.2
DENMARK	711.0	1,191.7	1,196.4	1,185.6
NORWAY	699.0	1,277.3	1,279.5	1,269.9
POLAND	680.0	1,070.3	1,077.2	1,065.3
IRAN	660.0	1,277.2	1,278.4	1,269.3
KUWAIT	635.3	1,143.5	1,147.4	1,136.9
ALGERIA	623.1	998.0	1,005.3	993.2
YUGOSLAVIA	613.0	1,019.3	1,025.8	1,014.1
FINLAND	574.9	957.1	964.2	954.6
MALAYSIA	550.6	931.2	938.3	930.8
PAKISTAN	546.3	788.0	798.6	789.8
HUNGARY	530.7	802.0	811.9	804.7
ROMANIA	523.4	810.2	819.7	813.2
LIBYA	515.7	947.7	953.5	949.4
IRAQ	504.0	1,057.7	1,060.5	1,058.7
EGYPT	463.4	738.8	748.6	745.8
KOREA	462.8	982.1	985.8	986.0
NEW ZEALAND	461.6	684.7	695.8	692.5
ISRAEL	446.6	737.0	746.4	744.7
CHILE	440.5	656.1	667.3	665.0
PHILIPPINES	440.4	679.6	690.2	688.2
TURKEY	429.1	711.8	721.4	720.4
GREECE	399.9	642.1	652.7	652.3
COLOMBIA	394.2	596.9	608.5	607.8
THAILAND	386.6	632.3	642.8	642.9
PORTUGAL	376.6	613.1	623.8	624.1
IRELAND	343.4	592.0	602.5	603.5
PERU	330.9	490.9	503.5	503.7
MOROCCO	306.6	446.6	459.8	459.8
ZAIRE	291.0	401.5	415.4	415.0
BANGLADESH	287.5	401.7	415.5	415.2
ZAMBIA	270.3	366.5	380.8	380.1
SRI LANKA	223.1	309.6	324.1	322.5
GHANA	204.5	275.2	290.1	287.8
UNITED ARAB EMIRATES	202.6	514.2	523.0	523.6
ZIMBABWE	191.0	268.0	282.7	280.0
VIET NAM	176.8	247.3	262.2	258.9
TRINIDAD AND TOBAGO	170.1	266.7	280.9	277.6
SUDAN	169.7	239.8	254.7	251.1
COTE D'IVOIRE	165.5	255.8	270.1	266.6
URUGUAY	163.8	232.2	246.9	243.2
ECUADOR	150.7	237.3	250.2	247.5
JAMAICA	145.5	207.8	220.8	218.0
KENYA	142.0	209.4	221.9	219.4
SYRIAN ARAB REP.	139.1	234.3	245.8	243.8
TUNISIA	138.2	227.6	239.2	237.1
BURMA	137.0	187.1	199.6	197.1
QATAR	114.9	227.8	236.4	235.6
DOMINICAN REPUBLIC	112.1	168.1	177.9	176.5
GUATEMALA	108.0	163.5	172.9	171.6
TANZANIA	107.0	151.1	160.7	159.3
PANAMA	102.2	162.8	171.5	170.5
UGANDA	99.6	135.0	144.1	142.9

TABLE 1.   ILLUSTRATIVE QUOTAS UNDER ALTERNATIVE MITIGATION SCHEMES FOR A
FUND OF SDR 150 BILLION 1/

(IN SDR MILLIONS)

	PRESENT QUOTAS (1)	METHOD A (40/60) (2)	ALTERNATIVE MITIGATION SCHEMES	
			I (3)	II (4)
CAMEROON	92.7	146.5	154.4	153.7
SINGAPORE	92.4	592.0	588.7	593.4
BOLIVIA	90.7	131.5	139.5	138.6
EL SALVADOR	89.0	132.5	140.3	139.5
AFGHANISTAN	86.7	125.0	132.8	132.0
SENEGAL	85.1	124.3	131.9	131.1
COSTA RICA	84.1	125.7	133.1	132.4
LEBANON	78.7	187.0	192.1	192.4
YEMEN,P.D.REP.	77.2	108.4	115.4	114.8
LUXEMBOURG	77.0	168.3	173.7	173.9
JORDAN	73.9	144.8	150.5	150.4
GABON	73.1	123.0	129.1	128.8
LIBERIA	71.3	97.2	103.7	103.1
ETHIOPIA	70.6	102.4	108.6	108.2
CYPRUS	69.7	106.9	112.9	112.6
NICARAGUA	68.2	101.2	107.1	106.8
HONDURAS	67.8	99.6	105.5	105.2
MADAGASCAR	66.4	92.1	98.1	97.7
BAHAMAS	66.4	101.2	106.9	106.6
PAPUA NEW GUINEA	65.9	102.6	108.3	108.0
OMAN	63.1	154.6	158.6	159.0
MOZAMBIQUE	61.0	86.6	92.1	91.8
ICELAND	59.6	91.0	96.2	96.0
SIERRA LEONE	57.9	77.2	82.5	82.2
GUINEA	57.9	80.1	85.3	85.0
MAURITIUS	53.6	75.0	79.8	79.6
MALI	50.8	69.9	74.5	74.3
SURINAME	49.3	69.4	73.8	73.7
GUYANA	49.2	68.8	73.2	73.0
BAHRAIN	48.9	100.3	103.9	104.1
PARAGUAY	48.4	79.6	83.6	83.6
MALTA	45.1	74.8	78.6	78.6
SOMALIA	44.2	62.8	66.7	66.6
HAITI	44.1	62.6	66.5	66.4
RWANDA	43.8	60.4	64.4	64.3
YEMEN ARAB REP	43.3	83.8	87.1	87.3
BURUNDI	42.7	57.4	61.3	61.2
TOGO	38.4	57.2	60.6	60.6
NEPAL	37.3	54.1	57.4	57.4
CONGO, PEOPLES REP.	37.3	65.9	68.9	69.1
MALAWI	37.2	52.1	55.5	55.4
FIJI	36.5	53.5	56.7	56.7
BARBADOS	34.1	52.3	55.2	55.3
MAURITANIA	33.9	49.8	52.8	52.8
NIGER	33.7	51.5	54.5	54.5
BURKINA FASO	31.6	46.2	49.0	49.0
BENIN	31.3	48.8	51.5	51.6
CHAD	30.6	41.6	44.4	44.4
CENTRAL AFRICAN REP.	30.4	41.7	44.4	44.4
LAO,P.D.REP.	29.3	39.1	41.8	41.8
SWAZILAND	24.7	39.9	42.0	42.1
BOTSWANA	22.1	43.7	45.3	45.5
EQUATORIAL GUINEA	18.4	24.1	25.8	25.8
GAMBIA, THE	17.1	23.0	24.6	24.6
LESOTHO	15.1	27.6	28.8	28.9
BELIZE	9.5	14.1	14.9	15.0
VANUATU	9.0	12.7	13.5	13.6
DJIBOUTI	8.0	11.9	12.6	12.7
GUINEA-BISSAU	7.5	10.3	11.0	11.0
ST. LUCIA	7.5	11.2	11.8	11.9
GRENADA	6.0	8.5	9.0	9.1
WESTERN SAMOA	6.0	8.4	8.9	8.9
SOLOMON ISLANDS	5.0	7.9	8.4	8.4
ANTIGUA AND BARBUDA	5.0	8.5	9.0	9.0
ST. KITTS & NEVIS	4.5	6.6	7.0	7.0
CAPE VERDE	4.5	7.1	7.5	7.5
COMOROS	4.5	6.4	6.8	6.8
DOMINICA	4.0	5.8	6.1	6.1
SAO TOME & PRINCIPE	4.0	5.6	6.0	6.0
ST. VINCENT	4.0	6.2	6.5	6.6
TONGA	3.3	5.0	5.3	5.3
SEYCHELLES	3.0	5.4	5.6	5.7
KIRIBATI, REPUBLIC O	2.5	3.8	4.0	4.0
BHUTAN	2.5	4.3	4.5	4.5
MALDIVES	2.0	3.9	4.0	4.1
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TOTAL	89,962.5	150,000.3	149,999.7	150,000.5

1/ USING METHOD A WITH A 40/60 EQUIPROPORTIONAL/SELECTIVE APPORTIONMENT TO DISTRIBUTE THE BULK OF THE INCREASE.

TABLE 2-A. ILLUSTRATIVE QUOTA SHARES UNDER ALTERNATIVE MITIGATION SCHEMES FOR A
FUND OF SDR 150 BILLION 1/

(IN PERCENT)

	PRESENT QUOTA SHARES (1)	METHOD A (40/60) (2)	ALTERNATIVE MITIGATION SCHEMES I (3)	II (4)
UNITED STATES	19.918	20.007	19.816	19.904
UNITED KINGDOM	6.885	6.483	6.435	6.452
GERMANY	6.007	6.228	6.173	6.194
FRANCE	4.983	5.012	4.972	4.986
JAPAN	4.695	5.501	5.445	5.467
SAUDI ARABIA	3.560	3.995	3.959	3.971
CANADA	3.269	3.253	3.231	3.236
ITALY	3.234	3.347	3.323	3.329
CHINA	2.658	2.389	2.380	2.378
NETHERLANDS	2.517	2.579	2.564	2.566
INDIA	2.454	2.112	2.107	2.103
BELGIUM	2.313	2.287	2.276	2.276
AUSTRALIA	1.800	1.672	1.668	1.664
BRAZIL	1.624	1.596	1.591	1.588
VENEZUELA	1.525	1.383	1.382	1.377
SPAIN	1.429	1.438	1.434	1.430
MEXICO	1.296	1.302	1.300	1.295
ARGENTINA	1.237	1.060	1.063	1.056
SWEDEN	1.183	1.206	1.205	1.200
INDONESIA	1.122	1.099	1.100	1.094
SOUTH AFRICA	1.018	1.007	1.008	1.002
NIGERIA	.944	.954	.955	.949
AUSTRIA	.862	.895	.897	.890
DENMARK	.790	.794	.798	.790
NORWAY	.777	.852	.853	.847
POLAND	.756	.714	.718	.710
IRAN	.734	.851	.852	.846
KUWAIT	.706	.762	.765	.758
ALGERIA	.693	.665	.670	.662
YUGOSLAVIA	.681	.680	.684	.676
FINLAND	.639	.638	.643	.636
MALAYSIA	.612	.621	.626	.621
PAKISTAN	.607	.525	.532	.527
HUNGARY	.590	.535	.541	.536
ROMANIA	.582	.540	.546	.542
LIBYA	.573	.632	.636	.633
IRAQ	.560	.705	.707	.706
EGYPT	.515	.493	.499	.497
KOREA	.514	.655	.657	.657
NEW ZEALAND	.513	.456	.464	.462
ISRAEL	.496	.491	.498	.496
CHILE	.490	.437	.445	.443
PHILIPPINES	.490	.453	.460	.459
TURKEY	.477	.475	.481	.480
GREECE	.445	.428	.435	.435
COLOMBIA	.438	.398	.406	.405
THAILAND	.430	.422	.429	.429
PORTUGAL	.419	.409	.416	.416
IRELAND	.382	.395	.402	.402
PERU	.368	.327	.336	.336
MOROCCO	.341	.298	.307	.307
ZAIRE	.323	.268	.277	.277
BANGLADESH	.320	.268	.277	.277
ZAMBIA	.300	.244	.254	.253
SRI LANKA	.248	.206	.216	.215
GHANA	.227	.183	.193	.192
UNITED ARAB EMIRATES	.225	.343	.349	.349
ZIMBABWE	.212	.179	.188	.187
VIET NAM	.197	.165	.175	.173
TRINIDAD AND TOBAGO	.189	.178	.187	.185
SUDAN	.189	.160	.170	.167
COTE D'IVOIRE	.184	.171	.180	.178
URUGUAY	.182	.155	.165	.162
ECUADOR	.168	.158	.167	.165
JAMAICA	.162	.139	.147	.145
KENYA	.158	.140	.148	.146
SYRIAN ARAB REP.	.155	.156	.164	.163
TUNISIA	.154	.152	.159	.158
BURMA	.152	.125	.133	.131
QATAR	.128	.152	.158	.157
DOMINICAN REPUBLIC	.125	.112	.119	.118
GUATEMALA	.120	.109	.115	.114
TANZANIA	.119	.101	.107	.106
PANAMA	.114	.109	.114	.114
UGANDA	.111	.090	.096	.095

TABLE 2-A. ILLUSTRATIVE QUOTA SHARES UNDER ALTERNATIVE MITIGATION SCHEMES FOR A
FUND OF SDR 150 BILLION 1/

(IN PERCENT)

	PRESENT QUOTA SHARES (1)	METHOD A (40/60) (2)	ALTERNATIVE MITIGATION SCHEMES	
			I (3)	II (4)
CAMEROON	.103	.098	.103	.102
SINGAPORE	.103	.395	.392	.396
BOLIVIA	.101	.088	.093	.092
EL SALVADOR	.099	.088	.094	.093
AFGHANISTAN	.096	.083	.089	.088
SENEGAL	.095	.083	.088	.087
COSTA RICA	.093	.084	.089	.088
LEBANON	.087	.125	.128	.128
YEMEN,P.D.REP.	.086	.072	.077	.077
LUXEMBOURG	.086	.112	.116	.116
JORDAN	.082	.097	.100	.100
GABON	.081	.082	.086	.086
LIBERIA	.079	.065	.069	.069
ETHIOPIA	.078	.068	.072	.072
CYPRUS	.077	.071	.075	.075
NICARAGUA	.076	.067	.071	.071
HONDURAS	.075	.066	.070	.070
MADAGASCAR	.074	.061	.065	.065
BAHAMAS	.074	.067	.071	.071
PAPUA NEW GUINEA	.073	.068	.072	.072
OMAN	.070	.103	.106	.106
MOZAMBIQUE	.068	.058	.061	.061
ICELAND	.066	.061	.064	.064
SIERRA LEONE	.064	.051	.055	.055
GUINEA	.064	.053	.057	.057
MAURITIUS	.060	.050	.053	.053
MALI	.056	.047	.050	.050
SURINAME	.055	.046	.049	.049
GUYANA	.055	.046	.049	.049
BAHRAIN	.054	.067	.069	.069
PARAGUAY	.054	.053	.056	.056
MALTA	.050	.050	.052	.052
SOMALIA	.049	.042	.044	.044
HAITI	.049	.042	.044	.044
RWANDA	.049	.040	.043	.043
YEMEN ARAB REP	.048	.056	.058	.058
BURUNDI	.047	.038	.041	.041
TOGO	.043	.038	.040	.040
NEPAL	.041	.036	.038	.038
CONGO, PEOPLES REP.	.041	.044	.046	.046
MALAWI	.041	.035	.037	.037
FIJI	.041	.036	.038	.038
BARBADOS	.038	.035	.037	.037
MAURITANIA	.038	.033	.035	.035
NIGER	.037	.034	.036	.036
BURKINA FASO	.035	.031	.033	.033
BENIN	.035	.033	.034	.034
CHAD	.034	.028	.030	.030
CENTRAL AFRICAN REP.	.034	.028	.030	.030
LAO,P.D.REP.	.033	.026	.028	.028
SWAZILAND	.027	.027	.028	.028
BOTSWANA	.025	.029	.030	.030
EQUATORIAL GUINEA	.020	.016	.017	.017
GAMBIA, THE	.019	.015	.016	.016
LESOTHO	.017	.018	.019	.019
BELIZE	.011	.009	.010	.010
VANUATU	.010	.008	.009	.009
DJIBOUTI	.009	.008	.008	.008
GUINEA-BISSAU	.008	.007	.007	.007
ST. LUCIA	.008	.007	.008	.008
GRENADA	.007	.006	.006	.006
WESTERN SAMOA	.007	.006	.006	.006
SOLOMON ISLANDS	.006	.005	.006	.006
ANTIGUA AND BARBUDA	.006	.006	.006	.006
ST. KITTS & NEVIS	.005	.004	.005	.005
CAPE VERDE	.005	.005	.005	.005
COMOROS	.005	.004	.005	.005
DOMINICA	.004	.004	.004	.004
SAO TOME & PRINCIPE	.004	.004	.004	.004
ST. VINCENT	.004	.004	.004	.004
TONGA	.004	.003	.004	.004
SEYCHELLES	.003	.004	.004	.004
KIRIBATI, REPUBLIC O	.003	.003	.003	.003
BHUTAN	.003	.003	.003	.003
MALDIVES	.002	.003	.003	.003
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TOTAL	100.000	100.000	100.000	100.000

1/ USING METHOD A WITH A 40/60 EQUIPROPORTIONAL/SELECTIVE APPORTIONMENT TO DISTRIBUTE THE BULK OF THE INCREASE.

TABLE 2-B. ILLUSTRATIVE SHARES IN VOTING POWER UNDER ALTERNATIVE MITIGATION SCHEMES
FOR A FUND OF SDR 150 BILLION 1/

(IN PERCENT)

	PRESENT SHARES IN VOTING POWER (1)	METHOD A (40/60) (2)	ALTERNATIVE MITIGATION SCHEMES I (3)	II (4)
UNITED STATES	19.147	19.535	19.349	19.434
UNITED KINGDOM	6.636	6.341	6.294	6.311
GERMANY	5.793	6.092	6.039	6.059
FRANCE	4.810	4.906	4.867	4.881
JAPAN	4.533	5.383	5.328	5.350
SAUDI ARABIA	3.444	3.914	3.879	3.890
CANADA	3.165	3.190	3.169	3.174
ITALY	3.131	3.281	3.258	3.264
CHINA	2.578	2.347	2.338	2.337
NETHERLANDS	2.443	2.533	2.517	2.519
INDIA	2.382	2.076	2.072	2.068
BELGIUM	2.247	2.248	2.237	2.236
AUSTRALIA	1.755	1.647	1.644	1.640
BRAZIL	1.586	1.573	1.569	1.565
VENEZUELA	1.490	1.365	1.365	1.359
SPAIN	1.399	1.419	1.415	1.411
MEXICO	1.270	1.286	1.284	1.280
ARGENTINA	1.214	1.051	1.054	1.047
SWEDEN	1.162	1.193	1.192	1.187
INDONESIA	1.104	1.089	1.089	1.084
SOUTH AFRICA	1.004	.998	.999	.993
NIGERIA	.933	.947	.948	.942
AUSTRIA	.854	.889	.891	.885
DENMARK	.785	.791	.794	.787
NORWAY	.773	.847	.848	.842
POLAND	.752	.712	.717	.709
IRAN	.731	.847	.848	.842
KUWAIT	.705	.760	.763	.756
ALGERIA	.692	.665	.670	.662
YUGOSLAVIA	.681	.679	.683	.676
FINLAND	.640	.639	.643	.637
MALAYSIA	.614	.622	.627	.622
PAKISTAN	.610	.529	.536	.530
HUNGARY	.593	.538	.544	.540
ROMANIA	.585	.543	.549	.545
LIBYA	.577	.633	.636	.634
IRAQ	.564	.704	.706	.705
EGYPT	.521	.497	.503	.501
KOREA	.521	.655	.657	.658
NEW ZEALAND	.519	.462	.469	.467
ISRAEL	.503	.496	.502	.501
CHILE	.497	.443	.450	.449
PHILIPPINES	.497	.458	.465	.464
TURKEY	.485	.479	.485	.485
GREECE	.453	.434	.441	.441
COLOMBIA	.447	.404	.412	.412
THAILAND	.439	.428	.434	.434
PORTUGAL	.429	.415	.422	.422
IRELAND	.393	.401	.408	.409
PERU	.380	.336	.344	.344
MOROCCO	.354	.307	.315	.315
ZAIRE	.337	.277	.286	.286
BANGLADESH	.333	.278	.287	.286
ZAMBIA	.315	.255	.264	.263
SRI LANKA	.265	.218	.227	.226
GHANA	.245	.195	.205	.203
UNITED ARAB EMIRATES	.243	.351	.356	.357
ZIMBABWE	.230	.191	.200	.198
VIET NAM	.215	.177	.187	.185
TRINIDAD AND TOBAGO	.208	.190	.199	.197
SUDAN	.208	.172	.182	.180
COTE D'IVOIRE	.203	.183	.192	.190
URUGUAY	.201	.167	.177	.174
ECUADOR	.187	.171	.179	.177
JAMAICA	.182	.151	.160	.158
KENYA	.178	.152	.161	.159
SYRIAN ARAB REP.	.175	.169	.176	.175
TUNISIA	.174	.164	.172	.170
BURMA	.173	.138	.146	.144
QATAR	.149	.164	.170	.169
DOMINICAN REPUBLIC	.146	.126	.132	.131
GUATEMALA	.142	.123	.129	.128
TANZANIA	.141	.115	.121	.120
PANAMA	.136	.122	.128	.127
UGANDA	.133	.104	.110	.109

TABLE 2-B.   ILLUSTRATIVE SHARES IN VOTING POWER UNDER ALTERNATIVE MITIGATION SCHEMES
FOR A FUND OF SDR 150 BILLION 1/

(IN PERCENT)

	PRESENT SHARES IN VOTING POWER (1)	METHOD A (40/60) (2)	ALTERNATIVE MITIGATION SCHEMES	
			I (3)	II (4)
CAMEROON	.126	.112	.117	.116
SINGAPORE	.125	.401	.399	.402
BOLIVIA	.123	.102	.107	.106
EL SALVADOR	.122	.102	.108	.107
AFGHANISTAN	.119	.098	.103	.102
SENEGAL	.117	.097	.102	.102
COSTA RICA	.116	.098	.103	.102
LEBANON	.111	.138	.141	.141
YEMEN,P.D.REP.	.109	.087	.091	.091
LUXEMBOURG	.109	.126	.129	.129
JORDAN	.106	.110	.114	.114
GABON	.105	.096	.100	.100
LIBERIA	.103	.079	.084	.083
ETHIOPIA	.102	.083	.087	.087
CYPRUS	.101	.086	.090	.089
NICARAGUA	.099	.082	.086	.086
HONDURAS	.099	.081	.085	.085
MADAGASCAR	.098	.076	.080	.080
BAHAMAS	.098	.082	.086	.086
PAPUA NEW GUINEA	.097	.083	.087	.087
OMAN	.094	.117	.119	.120
MOZAMBIQUE	.092	.073	.076	.076
ICELAND	.090	.075	.079	.079
SIERRA LEONE	.088	.066	.070	.070
GUINEA	.088	.068	.072	.072
MAURITIUS	.084	.065	.068	.068
MALI	.081	.062	.065	.065
SURINAME	.079	.061	.064	.064
GUYANA	.079	.061	.064	.064
BAHRAIN	.079	.081	.084	.084
PARAGUAY	.078	.068	.071	.071
MALTA	.075	.065	.067	.067
SOMALIA	.074	.057	.060	.060
HAITI	.074	.057	.060	.059
RWANDA	.073	.056	.058	.058
YEMEN ARAB REP	.073	.071	.073	.073
BURUNDI	.072	.054	.056	.056
TOGO	.068	.053	.056	.056
NEPAL	.066	.051	.054	.054
CONGO, PEOPLES REP.	.066	.059	.061	.061
MALAWI	.066	.050	.052	.052
FIJI	.066	.051	.053	.053
BARBADOS	.063	.050	.052	.052
MAURITANIA	.063	.049	.051	.051
NIGER	.063	.050	.052	.052
BURKINA FASO	.060	.046	.048	.048
BENIN	.060	.048	.050	.050
CHAD	.059	.043	.045	.045
CENTRAL AFRICAN REP.	.059	.043	.045	.045
LAO,P.D.REP.	.058	.042	.043	.043
SWAZILAND	.053	.042	.044	.044
BOTSWANA	.050	.045	.046	.046
EQUATORIAL GUINEA	.046	.032	.033	.033
GAMBIA, THE	.045	.031	.032	.032
LESOTHO	.043	.034	.035	.035
BELIZE	.037	.025	.026	.026
VANUATU	.036	.025	.025	.025
DJIBOUTI	.035	.024	.024	.025
GUINEA-BISSAU	.035	.023	.023	.023
ST. LUCIA	.035	.024	.024	.024
GRENADA	.033	.022	.022	.022
WESTERN SAMOA	.033	.022	.022	.022
SOLOMON ISLANDS	.032	.021	.022	.022
ANTIGUA AND BARBUDA	.032	.022	.022	.022
ST. KITTS & NEVIS	.031	.021	.021	.021
CAPE VERDE	.031	.021	.021	.021
COMOROS	.031	.020	.021	.021
DOMINICA	.031	.020	.020	.020
SAO TOME & PRINCIPE	.031	.020	.020	.020
ST. VINCENT	.031	.020	.020	.021
TONGA	.030	.020	.020	.020
SEYCHELLES	.030	.020	.020	.020
KIRIBATI, REPUBLIC O	.029	.019	.019	.019
BHUTAN	.029	.019	.019	.019
MALDIVES	.029	.019	.019	.019
TOTAL	100.000	100.000	100.000	100.000

1/   USING METHOD A WITH A 40/60 EQUIPROPORTIONAL/SELECTIVE APPORTIONMENT TO DISTRIBUTE THE BULK OF THE INCREASE.