

INTERNATIONAL MONETARY FUND

**Proposed Amendment to the Articles of Agreement on the Reform of the IMF
Executive Board and Fourteenth General Review of Quotas—Status of Acceptances
and Consents**

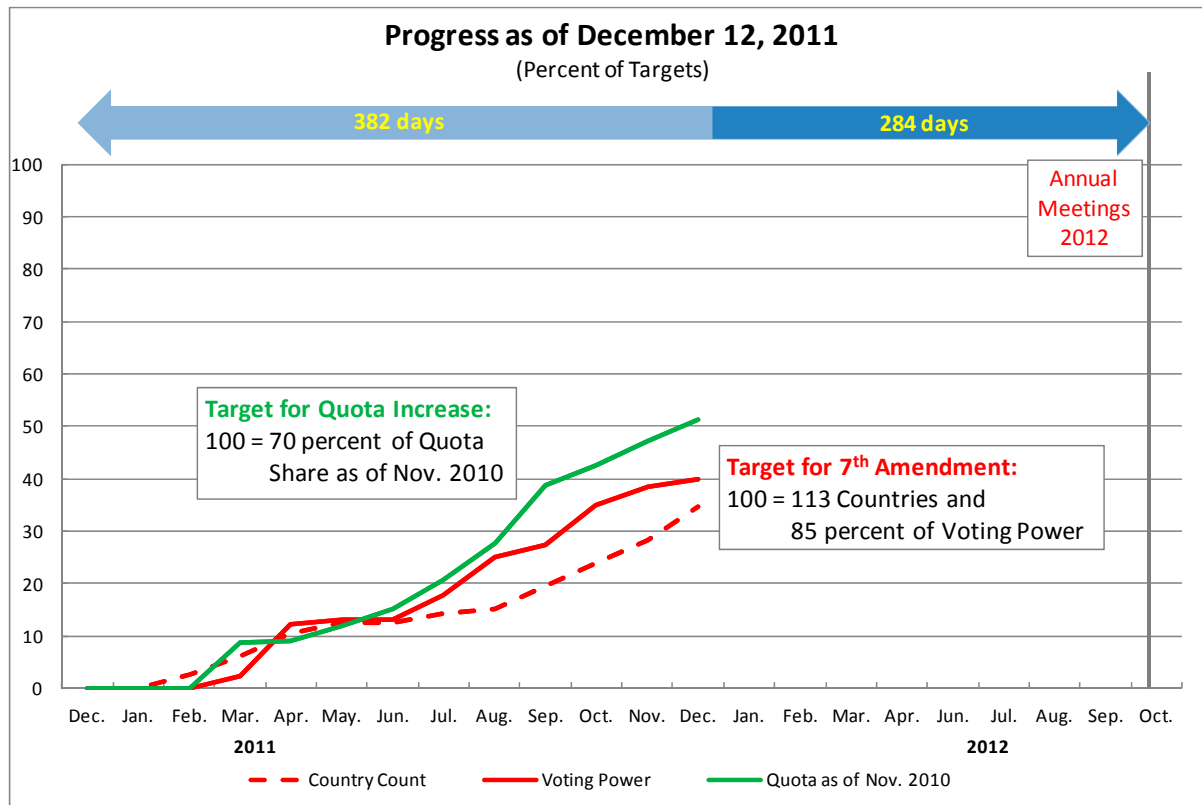
Prepared by the Finance, Legal, and Secretary's Departments

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December 13, 2011

1. This paper updates the status of consents to the proposed quota increases under the 14th General Review of Quotas and of acceptances of the Proposed Seventh Amendment on the Reform of the Executive Board (“Board Reform Amendment”) as set out in the Board of Governors Resolution No. 66-2.
2. For the proposed quota increases under the 14th General Review of Quotas to become effective, members having not less than 70 percent of the total of quotas on November 5, 2010 must consent to the increases in their quotas and the proposed Board Reform Amendment must have entered into force.¹ The proposed Board Reform Amendment enters into force once the Fund certifies that three-fifths of the members (i.e., currently 113 members) representing 85 percent of the total voting power have accepted the proposed amendment.
3. As of December 12, 2011, 53 members having 35.96 percent of quotas as of November 5, 2010 had consented to their proposed quota increases under the 14th General Review of Quotas. As of the same date, 38 members having 30.08 percent of the total voting power had accepted the proposed Board Reform Amendment.
4. In adopting the 2010 quota and governance reforms, the Board of Governors called on members to use their best efforts to complete the necessary steps to make the 2010 quota and governance reforms effective no later than the 2012 Annual Meetings. With only 10 months remaining on this timeline, the Fund is far from reaching the necessary thresholds for the entry into force of the 2010 quota and governance reforms (see chart).

¹ The third condition set out in Resolution No. 66-2 has been met with the entry into force on March 3, 2011 of the Voice and Participation Amendment (Sixth Amendment) of the Fund's Articles of Agreement, approved under Board of Governors Resolution No. 63-2.



5. Staff and management continue to make efforts to facilitate progress. In particular: (i) an interdepartmental working group liaises regularly with country teams and resident representatives; (ii) Executive Directors have been given hard and soft copies of communications related to the acceptances of earlier amendments to the Articles of Agreement by members of their constituencies (for possible transmittal to capitals as a template of procedures to follow); (iii) progress toward acceptance of the Seventh Amendment is updated regularly on a website of the Secretary's department, with inputs from area departments and the offices of Executive Directors, to monitor advances and identify hurdles; and (iv) management has urged country authorities on various occasions to provide consents and acceptances expeditiously. In addition, quarterly reports on the state of play with the 2010 reforms have been issued to the Board, most recently on October 3, 2011.

6. Efforts are also underway to lay the ground for the next election of Executive Directors. The Committee on the Rules for the 2012 Regular Election of Executive Directors (CREED) was established at end-September and is in the process of setting the framework for the 2012 elections. In this regard, it is expected that the CREED will begin consideration, in particular, of maximum and minimum voting share limits, which will play an important role in the consultation process that underpins the elections.

7. As reiterated in the September 2011, IMFC *Communiqué*, a timely implementation of the 2010 governance and quota reform package remains crucial to the legitimacy and effectiveness of the Fund. Efforts to meet the 2012 deadline should not be spared. Staff and

management will continue to work with country authorities in this regard as appropriate, but a special role needs to be played in the period ahead by Executive Directors to help secure acceptances and consents as a matter of urgency. The next quarterly update to the Board will be issued in the first quarter of 2012.

**Table 1. Consents to Quota Increases and Status of Acceptances
of the Proposed Board Reform Amendment**

December 12, 2011

Consents to Quota Increases		
Status	Number of Members	Percent of Nov. 5, 2010 quota
Consent received	53	35.96
No consent received	134	64.04
Memorandum items:		
Total required		70.00
Additional required		34.04
Board Reform Amendment		
Status	Number of Members	Percent of Voting Power
Accepted	38	30.08
Incomplete communication received	1	0.10
No communication received	148	69.82
Total	187	100.00
Memorandum items:		
Total required for effectiveness	113	85.00
Additional needed for effectiveness	75	54.92

Table 2. Members that Have Consented to Their Quota Increase and Accepted the Proposed Board Reform Amendment

December 12, 2011

Consent to Quota Increase				Acceptance of Proposed Amendment	
Member	Percent of Nov. 5, 2010 Quota	Member	Percent of Nov. 5, 2010 Quota	Member	Percent of Voting Power
Angola	0.13	Seychelles	0.004	Australia	1.31
Antigua and Barbuda	0.01	Sierra Leone	0.05	Bangladesh	0.24
Australia	1.49	Singapore	0.40	Belarus	0.18
Bangladesh	0.25	South Africa	0.86	Belize	0.04
Belarus	0.18	Spain	1.40	Benin	0.05
Belize	0.01	Suriname	0.04	Cambodia	0.06
Benin	0.03	Swaziland	0.02	Cameroon	0.10
Botswana	0.03	Tanzania	0.09	Central African Republic	0.05
Brazil	1.40	Thailand	0.50	China	3.81
Brunei Darussalam	0.10	Trinidad and Tobago	0.15	Cyprus	0.09
Burkina Faso	0.03	Uganda	0.08	Dominica	0.03
Burundi	0.04	United Kingdom	4.94	Dominican Republic	0.12
Cambodia	0.04	Zimbabwe	0.16	France	4.29
Chad	0.03			Gabon	0.09
China	3.72			Guinea-Bissau	0.04
Colombia	0.36			Guyana	0.07
Côte d'Ivoire	0.15			Haiti	0.06
Dominica	0.004			India	2.34
Dominican Republic	0.10			Jamaica	0.14
Ethiopia	0.06			Japan	6.24
France	4.94			Korea	1.37
Gambia, The	0.01			Malaysia	0.73
Guyana	0.04			Montenegro	0.04
Haiti	0.04			Morocco	0.26
India	1.91			Papua New Guinea	0.08
Ireland	0.39			Philippines	0.43
Jamaica	0.13			Poland	0.70
Japan	6.12			Samoa	0.03
Kenya	0.12			São Tomé and Príncipe	0.03
Korea	1.35			Seychelles	0.03
Luxembourg	0.13			Singapore	0.59
Malawi	0.03			Spain	1.63
Malaysia	0.68			Sri Lanka	0.19
Maldives	0.004			St. Vincent and the Grenadines	0.03
Mozambique	0.05			Suriname	0.07
Namibia	0.06			Tonga	0.03
Netherlands, The	2.37			Trinidad and Tobago	0.16
Papua New Guinea	0.06			United Kingdom	4.29
Paraguay	0.05				
Poland	0.63				
		Total: 53	35.96	Total: 38	30.08