

By the terms of Article 3 of the Agreement, membership in the Bank is open to "(i) members and associate members of the United Nations Economic Commission for Asia and the Far East; and (ii) other regional countries and non-regional developed countries which are members of the United Nations or any of its specialized agencies." Within the foregoing limitations, new members may be admitted upon the affirmative vote of two-thirds of the total number of Governors representing not less than three-fourths of the total voting power of the members.

The percentage of the voting power in the Bank's affairs held by the respective member countries is related to their capital subscriptions. The two largest subscribers, the United States and Japan, each holds 17.12% of the total voting power. In addition, Australia, New Zealand, Canada, the United Kingdom and the eleven European member countries hold an aggregate of about 30% of the total voting power. This means that the voting power of the developed member countries represents about 64% of the total.

In organization, functions and capital structure, the Bank is similar in many respects to two previously established international development financing institutions, the International Bank for Reconstruction and Development (World Bank) and the Inter-American Development Bank.

The purpose of the Bank is to foster economic growth and cooperation in the region of Asia and the Far East and to contribute to the acceleration of economic development in the developing member countries of the region, collectively and individually.

To fulfill its purpose, the Bank has the following principal functions:

- (a) to promote investment of public and private capital for development purposes;
- (b) to utilize the resources at its disposal for financing development of the developing member countries of the region;
- (c) to meet requests to assist member countries in the coordination of their development policies and plans; and
- (d) to provide technical assistance for the preparation, financing and execution of development projects and programs.

FINANCIAL RESOURCES

The Bank's present authorized capital is \$1.1 billion. It is available for subscription only by member countries, and \$970 million has now been subscribed. The capital subscriptions are designed both to provide funds for loan operations and to afford security for the bond issues and other indebtedness to be incurred by the Bank. One half of the subscribed capital (\$485 million at present) is in the form of "paid-in" capital, and the other half remains "callable". Since the latter portion may be called only when required to meet obligations of the Bank in connection with funds borrowed or loans guaranteed by it, such capital is not available for use by the Bank for making loans and constitutes, in effect, a guarantee for the Bank's outstanding indebtedness.

The "paid-in" portion of the capital is to be paid in five equal, annual instalments; one-half of each instalment must be paid in gold or convertible currency and the other half may be paid in the currency of the respective member country. The Bank may also accept non-interest-bearing demand notes in lieu of the amount payable in a member's currency, so long as such currency is not needed by the Bank for the conduct of its operations. Payment of the "callable" capital may be made at the option of the member in gold, convertible currency, or the currency required to discharge the obligations of the Bank for the purpose of which the call is made.

The first two instalments of capital subscriptions (except for Switzerland which joined the Bank on December 31, 1967 and paid its first instalment) had been received as of the end of December, 1967. The Bank will receive the three remaining instalments of capital subscriptions in the years 1968, 1969 and 1970.