



DEVELOPMENT COMMITTEE  
(Joint Ministerial Committee  
of the  
Boards of Governors of the Bank and the Fund  
On the  
Transfer of Real Resources to Developing Countries)



September 29, 2004  
**DC2004-0014**

**VOICE AND PARTICIPATION OF DEVELOPING AND TRANSITION COUNTRIES**

**Progress Reports**

Attached for the October 2, 2004, Development Committee Meeting are two papers, to be considered under Item III of the Provisional Agenda:

1. Report of the World Bank Executive Board: Voice and Participation of Developing and Transition Countries in Decision Making at the World Bank
2. Report of the IMF Executive Board to the IMFC on Quotas, Voice and Representation

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# VOICE AND PARTICIPATION OF DEVELOPING AND TRANSITION COUNTRIES IN DECISION MAKING AT THE WORLD BANK

## PROGRESS REPORT

### *Introduction*

1. The 2002 Monterrey Consensus encouraged the World Bank (Bank) and the International Monetary Fund (IMF, Fund) to find pragmatic ways to “continue to enhance participation of all developing countries and countries with economies in transition in their decision making, and thereby to strengthen the international dialogue and the work of those institutions as they address the development needs and concerns of these countries.” Responding to this call, the Development Committee (DC) in September 2002 requested a background document to facilitate consideration of these important issues at its next meeting. A joint Bank/Fund Technical Note (DC2003-0002) was subsequently prepared and considered by the DC in April 2003. The Technical Note set out a wide range of proposals that had been made in various fora to enhance the Voice and Participation (Voice) of developing and transition countries (DTC) in decision making at the Bretton Woods Institutions (BWI).<sup>1</sup>

2. In the series of communiqués issued since then, while welcoming the different measures taken by the BWI, the DC has requested and urged both the Bank and the Fund to (a) consider and elaborate upon all options with potential for broad support (April 2003); (b) step up efforts already undertaken and move towards concrete actions (September 2003); and (c) prepare reports on all aspects of the voice and participation issue (April 2004).

3. A progress report was last considered by the DC in September 2003.<sup>2</sup> The April 2004 Washington DC Meeting Communiqué reads, on Voice:

“Strengthening the voice and participation of developing and transition countries in the work and decision making of the Bretton Woods institutions remains a major challenge. We welcomed the further progress, particularly on capacity building, made since our last meeting, including the establishment of an Analytical Trust Fund to support the African Chairs and a secondment program at the Bank. We look forward to receiving reports from our Boards on all aspects of this issue and to further discussion at the 2004 Annual Meeting”.

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<sup>1</sup> See: DC2003-0002: Enhancing the Voice and Participation of Developing and Transition Countries in Decision-Making at the World Bank and IMF, March 27, 2003.

<sup>2</sup> DC2003-0012: Enhancing Voice and Participation of Developing and Transition Countries: Progress Report by the Boards of the World Bank and the IMF, September 12, 2003.

4. It is recognized that the issue of enhancing Voice is a complex one that involves many dimensions at several levels including at the country level, at the level of the Executive Directors in the BWI, and at the level of these institutions related to capital structure and voting shares. These facets include areas such as enhanced attention to DTC's ownership of the formulation of their development strategies, programs and projects; more decentralization by the Bank to bring decision making more to the country level; enhanced capacity of DTC's Executive Directors (EDs) in the representation of their countries; and changes in voting power.

5. The relevance of these facets differs so greatly among countries and groups of countries that the impact of a given measure taken to address any of them would be quite different depending on the situation of a particular country or group of countries: middle income, low income, transition, post-conflict or otherwise. It is clear for instance that Middle Income Countries (MIC) do not have the same capacity problems as the Low Income Countries Under Stress (LICUS). No single change or measure is therefore likely to address Voice adequately for each and every country. This means that issues should be considered comprehensively while, at the same time, an emphasis should be put on tackling issues of particular relevance to the different groups of countries. In this context, Bank management and the Board have taken initiatives and pursued or reinforced existing activities in many areas, most specifically in the following:

- Enhancing country ownership and perspectives in the Bank-supported programs.
- Greater support for EDs of large multi-country constituencies.
- Dealing with structural issues relating mainly to voting and capital structure.

#### ***Enhanced Country Ownership and Perspectives in Bank Operations***

6. Many EDs stressed the importance of increased ownership by DTCs as a key feature of the Bank's activities. This factor influenced the agenda as well as the conclusions from Monterrey. Thus, their constituent countries strongly believe that the key and most effective avenue of enhancing Voice for DTC in the BWI is through enhanced ability of these countries to influence the paradigms, the agendas, the strategies and policies, and ultimately the programs supported by the BWI. For this group, Voice is seen much more as effective ownership of their agendas and operations and being equal partners, and much less as voting structure.

7. In this context, many surveys and feedback received from DTC suggest that additional efforts are needed to ensure that externally financed development programs and projects continue to be developed with more regard to national priorities as perceived by the authorities and more appreciation of the full range of social, economic, political, budgetary and cultural realities of the countries. These programs and projects also need to be implemented more consistently within the framework of the Government guidelines and procedures. Likewise, in the course of the Voice discussions since the Monterrey Consensus, there has been the recognition that enhancing country ownership helps DTC take a real lead in both "owning" and directing the development agenda, in partnership with the international community, and thus helps make their voice heard. An important

dimension of voice is therefore to encourage and reinforce country ownership in the formulation of development strategies and programs, bring decision making by the BWI and other donors as close to the field as possible, and reduce the complexity and variety of procedures and guidelines of different aid donors.

8. Taking this view further, some Board members expressed the view that Voice from Monterrey also meant the voice of the poor, a question that goes beyond representation and structure in the BWI: Voice needs to be advanced to ensure that the BWI and other donors as well listen to the voice of the poor who are affected by the programs and projects being financed through better communications with all stakeholders at all stages of the program and project cycle. However, other EDs hold the view that the voice of the poor in relation to BWI-funded programs and projects was not addressed in the Monterrey Consensus (see **Attachment 1**) and therefore should not be part of the current Voice discussion.

9. For the proponents of ownership as part of Voice, initiatives taken even before Monterrey such as the Poverty Reduction Strategy (PRS), greater decentralization and, since Monterrey, harmonization of donors' procedures, are considered key components of Voice. Many of these initiatives are still in their infancy and many hurdles still have to be overcome before significant results can be achieved in many cases. However, there has been a beginning and sustained effort is required.

10. **The Poverty Reduction Strategy (PRS) Initiative.** In September 1999, the Bank and the Fund endorsed a new approach to the challenge of reducing poverty in low-income countries based on country-owned poverty reduction strategies. These strategies were expected to be country-driven, results-oriented, comprehensive and long-term in perspective, and foster domestic and external partnerships. They were to be embodied within a country's Poverty Reduction Strategy Paper (PRSP) or similar document, which was expected to serve as a framework for development assistance, including concessional lending from the Bank and Fund. By attempting to provide a sharper focus on poverty reduction, a more open participatory process and greater attention to monitoring poverty-related outcomes, the PRS has started the process of trying to put DTC more firmly in charge of the formulation and implementation of their development programs. It has also started to increase awareness of the nature and scope of the key challenges that need to be addressed to enhance the effectiveness of the PRS approach. These challenges are spelled out in the most recent review of the PRSP process and include: reinforcing a country-driven process; improving its analytical underpinnings; strengthening the institutional capacity for implementation; and enhancing aid effectiveness. While recognizing that satisfactorily addressing these issues at the country level will take more time and effort, the Bank is committed to working with low-income countries and their other development partners in helping to resolve them.

11. **Decentralization.** There is a widely shared view that the decentralization of Bank decision-making and operational staff in the countries concerned can have a positive impact on a deepened understanding of the cultural, social and political aspects of development programs and projects. Since the Strategic Compact highlighted

decentralization in 1997, the Bank has made significant progress in this area. The percentage of country directors located in country offices has increased from 6 percent in FY97 to more than 71 percent in FY04 while the proportion of the number of regional higher level staff located in the field has increased from 28 percent to more than 42 percent.

12. Results from staff and client surveys and other quantitative feedbacks suggest that decentralization has enhanced understanding of country needs, strengthened country-level policy dialogue, increased client participation and enhanced consultations with partners for the PRSP process. Just as important, client ownership of programs and projects is perceived to have increased and clients seem to value the role of strengthened country offices in dealing with issues and providing greater outreach to civil society. A number of risks have been identified and there continues to be important challenges that arise. The Bank remains committed to the policy and continually monitors and evaluates its implementation. It plans to complete a review in FY05 of the progress made in decentralization and its implication for the Bank's future work.

13. **Harmonization.** A growing body of evidence suggests that the totality and wide variety of donor requirements and processes for preparing, delivering, and monitoring development assistance are generating unproductive transaction costs for, and taxing the limited capacity of, developing countries. In addition, there are concerns that donors' practices do not always facilitate their application to national development priorities and systems, including budget management, program and project planning cycles and expenditure and financial management systems. The situation seems to be more acute in low income countries.

14. To address some of these issues, the Bank joined other multilateral and bilateral development institutions in Rome in February 2003 at the Rome High-Level Forum on Harmonization Alignment for Aid Effectiveness.<sup>3</sup> The Forum ended with a joint declaration on the way forward and the definition of the next steps to be undertaken by the participants. Results on this recent initiative may not yet be visible and may take time to materialize. It is therefore important to deepen the focus on the critical areas that have been identified including the recognition of partner country priorities, a review of individual institutions' and donor countries' policies, procedures and practices to facilitate harmonization and a streamlining and simplification of reporting requirements and conditionalities. It is hoped that real harmonization would help DTC adopt best practices and eliminate unnecessary bureaucracy, making their administrations more efficient and effective. The Second High-Level Forum on Harmonization Alignment for Aid Effectiveness is planned for Paris in 2005.

### ***Support for Executive Directors***

15. A key aspect of the work of EDs is to represent the interest of constituent countries. This involves intensive communications and consultations with country authorities and a resulting heavy workload for those EDs with multi-country

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<sup>3</sup> See Rome High Level Forum on Harmonization Declaration, February 28, 2003.

constituencies. Key constraints that have been identified as impeding the work of EDs, especially those representing several low-income countries, include inadequate mechanisms to communicate effectively with member countries, insufficient financial and human resources, and insufficient familiarity with Bank policies, products and operations.

16. The following measures have been taken to enhance EDs' offices capacity: (a) the two Sub-Saharan Africa offices which have each more than 20 countries have been authorized to appoint one additional Senior Advisor and two Advisors; (b) communications with capitals have been improved with the introduction of a system that offers counterparts in capitals direct and secure access to Board documents via the internet, and offices have their own external website and improved access to videoconferencing; (c) a secondment program to the Bank of DTC staff is underway to help country counterpart staff gain first hand experience on how policies, programs and projects are developed within a development institution such as the Bank; (d) an Analytical Trust Fund has been established and is operational with the purpose of providing the two Sub-Saharan African EDs with independent technical and research support; and (e) a learning program is being finalized for staff in EDs' offices based on clearly identified needs. Another study is underway focusing on the evaluation of the capacity constraints of non Sub-Sahara African EDs.

17. The measures taken are intended to make it possible for DTCs over time to contribute more significantly to the work of the BWI through the participation of their EDs to committee and Board meetings, more systematic and regular feedback from the constituencies on key policy issues, more effective interaction with Bank staff and management, improvements in the dialogue between the Bank and constituent countries and better informed capitals about Bank's policies and procedures.

### ***Structural Issues***

18. The EDs have discussed on several occasions the structural issues relating to Voice. The primary focus has been on four major points: (a) IBRD's voting structure, (b) changes in IBRD capital stock, (c) IDA's voting and capital structure, and (d) the composition of the Board of Executive Directors. Underlying the discussions has been the realization that there is a growing disparity between developed and developing countries in terms of their respective voting powers. Concerns have also been expressed about the adequacy of the number of EDs representing different categories of Bank members.

19. The review of these questions has been done through extensive individual consultations with EDs, Committee meetings, meetings with counterparts at the Fund and a special Board retreat organized on July 2, 2004. An identification of the issues involved and an evaluation of the various options that can be considered to address them have been made. An effort has also been made to identify areas with potential for broad support. Discussions and analyses have focused on the 11 original options presented in **Attachment 2**. Other suggestions have included (a) seeking tentative agreement on a

number of building blocks to be subsequently incorporated into any Quota increase decision and subsequent adjustment of Bank capital shares; (b) reporting by the Boards of the Bank and IMF over the next year on options for addressing the issue of Basic Votes; (c) reporting by the Boards over the subsequent year on options addressing situations where quota/capital shares are excessively out of line with their respective economic strength; and (d) establishment of an independent expert task force, a “Commission of Notables” or an “Eminent Persons Group” to consider the composition, structure and functioning of the Boards and report to the DC at the 2005 Spring Meeting.

20. As noted in the September 2003 Communiqué, considerations on changing the voting structure and composition of the Boards of both the Bank and the Fund are proving to be complex. Finding areas with broad support has been difficult and it is therefore acknowledged that building the necessary consensus will take time. In addition, many EDs consider the voting structure, along with some of the additional options proposed in paragraph 34 below, as fundamental to Voice. A review of the quota formula by the IMF is considered by some EDs a key first and necessary step for serious consideration of voting structure issues. In the meantime, some countries have decided to take action to address specific issues and to help advance the process as explained below. The current situation can be summarized by grouping options into five main categories: (a) options on which a decision has been made and is being implemented; (b) options on which action is pending; (c) options requiring further consensus building; (d) options that need to be dropped; and (e) additional options to consider.

### **1. Options where action has been taken**

21. At the March 12, 2004 Consultative Meeting of African Governors of the BWI in Johannesburg, the Governors committed to make the necessary arrangements to pay in full African countries’ allocated IDA shares by end-March 2005. Eight African countries have already taken up their full subscriptions. The Corporate Secretariat has sent letters to non-African IDA countries requesting them to also make decisions on their subscriptions.

### **2. Options where action is pending**

22. **Role of IDA Borrowers and Board.** Beyond the question of bridging the gap between the shares allocated and the actual voting rights through the payment of subscriptions, many Board members, while recognizing progress made, continue to stress the importance of: (a) additional efforts to increase the participation of borrower country representatives in IDA’s replenishment process instituted for the first time in IDA-13 replenishment negotiations, (b) further reflecting borrower country concerns in meeting agendas, and (c) engaging borrower countries in IDA monitoring and evaluation process. In the view of these Board members, the important initiatives taken to enhance Voice need to be complemented by strengthening the policy role of IDA Executive Directors in decision-making. Some members also pointed out that even if near parity is achieved in IDA shareholding, this will not be reflected in the IDA Board since the composition of the IDA Board is based on IBRD shareholding and since individual EDs can only cast their vote as a block and no split voting is allowed.

23. **Length of EDs' Terms.** Some constituencies on the Board operate on the basis of at least four years service for their EDs. Other chairs have lengthened the terms of their EDs on the basis of informal arrangements or are considering doing so. Some additional constituencies have indicated a willingness to examine the possibility of lengthening the terms of their EDs with the objective of helping improve knowledge of the Bank's policies and procedures as well as Board procedures, practices and issues. This would lead to more effective deliberations in Board meetings as well as interactions with staff and management of the Bank.

### 3. Options requiring further consensus building

24. Several EDs proposed that consultations on the options of (a) an increase in Basic Votes and Membership Shares, (b) Special Majorities, (c) Selective Capital Increases and (d) Board composition need to be pursued further.

25. **Basic Votes** currently represent just under 3 percent (2.8 percent) of total votes, down from slightly less than 11 percent (10.87 percent) at the founding of the Bank, with developing countries holding about 81 percent (37,250 for 149 countries) of such votes. If it were agreed to return Basic Votes to their original level, an increase of 128,800 Basic Votes would be required. Developing countries would then hold approximately 43 percent of total votes from the current level of 40 percent. Tables 1-5 provide simulations of what would happen to the rankings of members if Basic Votes were to be doubled or brought to their original level.

26. Additional evaluation would need to be done on the impact of this option on Voice. An attractive feature of the Basic Votes option is that it would not represent a financial burden on members. However, increasing Basic Votes would require amending the Articles of Agreement, a process that can be complex.

27. **Membership Shares.** It has also been considered that Membership Shares could be increased to help reduce the erosion of DTC's share in total votes as in the case of the Basic Votes noted above. The same concerns discussed for Basic Votes would apply in this case. The main differences from the Basic Votes are that (a) subscription to an additional 250 shares by each member would entail an additional contingent liability of roughly \$30 million or a proportionate amount depending on the number of shares to be issued because these shares would be callable capital; (b) while the 1979 membership shares were entirely callable, if a paid-in portion is required, this would constitute a serious financial burden on some of the poorest countries without a corresponding immediately visible pay off; and (c) no amendment would be required to the Articles of Agreement but an approval of the Governors would be required<sup>4</sup>. The overall impact on the voting powers of all the members, including the smaller ones, can be garnered for Tables 1-5 on the same basis as the Basic Votes.

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<sup>4</sup> Capital Increase requires Board of Governors' approval by 75% majority of total voting power.



28. **Special Majorities** of total voting powers are already required for many decisions by the Governors and the EDs such as capital increases (75 percent majority), increase in the number of EDs (80 percent majority) and amendment to the Articles of Agreement (approval by three-fifths of the members having 85 percent of the total voting power). However, suggestions have been made to introduce Special Majority votes for additional decisions or to introduce additional Double Majority requirements that specifically include separate majorities for DTC members. One key consideration is that the introduction of additional Double Majorities would require an amendment to the Articles of Agreement. In addition, it would be necessary to reach an agreement on the legal definitions of a new category of members. Preliminary studies are being made to better define the structure and types of decisions that could be the subject of Double Majorities. A more detailed review of the Double Majorities option is needed to evaluate the pros and cons and generate further discussion in order to determine what further action would be needed. It was suggested to study the practicality of introducing double majorities on a pilot basis, with due regard to legal implications.

29. **Selective Capital Increases (SCI)** are another approach to increasing DTC's share of voting rights. Whether one uses the IMF Calculated Quotas or GNP (CQ/GNI) method or the Purchasing Power Parity (PPP) method, a key feature that makes SCI attractive is that they do not require an amendment of the Articles of Agreement but only an approval by the Governors<sup>5</sup>. They also have the potential, for participating DTC and industrialized countries which are also under-represented, to correct the distortions caused by the failure to recognize through increased shareholdings their improved economic circumstances.

30. However, additional considerations that need to be factored in and would make the process complex and difficult include the requirement for an agreement from each member, especially concerning preemptive rights under the Articles of Agreement. The process would also entail a financial cost to participants for the paid-in portion, no matter how small, and a contingent liability for the callable portion of the subscriptions<sup>6</sup>. These costs would probably be inconsequential for MICs but cumbersome for the poorer countries. Close coordination with the Fund would be needed because of the relationship with the Quotas issue. Finally, the likely impact of a SCI on individual countries would need to be reviewed carefully to understand its impact on Voice. The financial justification of capital increase would need to be properly evaluated, as well as possible reaction from the financial markets.

31. **Board Composition** has two main facets: the constituency groupings and the number of Board seats. The first part deals with the question of under- and/or over-representation at the Board for certain regions based on the number of countries represented and/or their relative economic strength. It touches upon a number of complex issues of a political nature.

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<sup>5</sup> See Footnote 5 above for the requirements concerning approval by the Governors.

<sup>6</sup> If the previous SCI model is used, the paid-in portion would be six percent of the share price of \$120,635, of which 10% would be in US Dollars and the remainder in national currency.

32. The second part is to address the problem faced by those EDs who represent more than 20 countries. Proposals that have been discussed include: (a) possible agreement in principle for instance on the maximum number of countries that a single office can represent (16 has been floated); (b) reassignment of countries from the chairs with the two largest constituencies; (c) some members agreeing to give up their chairs to the benefit of others; and (d) measures that would help improve the efficiency and effectiveness of the chairs with more than 20 countries short of the other proposals mentioned above. The possibility of an increase in the overall number of chairs has also been mentioned.

#### **4. Options that should be dropped.**

33. The decision by African Governors to pay for their IDA's allocated shares (paragraph 21) means that the option on IDA shares is no longer relevant. There has also been a clear message that the Trust Fund proposed to be financed by donors in order to help poor countries pay either for the IDA subscriptions or for membership shares does not have broad support, in part because of the decision taken by the African Governors. Finally, the Selective Capital Decrease option is also considered not feasible and should therefore be dropped as well.

#### **5. Additional options to consider**

34. Some EDs have proposed adding the following options for consideration in the next round of discussions: (a) allocation of 50 percent of the Bank's capital to DTC or a similar percentage as is the case in MIGA, regional development finance institutions as well as the International Fund for Agricultural Development; (b) mandating a communications component in every Bank-financed project to give voice to the poor at all stages of the project cycle; (c) instituting a process for the selection of the heads of the BWI which allows DTC nationals to also be considered; (d) higher representation of DTC nationals in the senior management levels of the BWI; and (e) measures that need to be taken to improve Board effectiveness.

#### ***The Way Forward***

35. The brief presentation above shows the complexity and range of Voice issues. It also suggests that a proper framework needs to be defined for future consideration of Voice. Such a framework needs to include the following: (a) the relationship between the Bank and the Fund; (b) the range of options to be considered; and (c) the management of the process going forward.

36. **Relationship between the Bank and the Fund.** Although some of the options such as those related to IDA are specific to the Bank and can therefore be pursued separately, many others such as those dealing with the allocation of the Bank's capital stock should be closely linked to the core IMF issue of the Quota formula review given its importance and link to the capital structure of the Bank. Issues of Board composition should also be handled in parallel with the Fund, bearing in mind that even when

considering issues that are specific to the Bank, it would be beneficial and entirely appropriate that coordination be maintained with the Fund.

37. **Range of options.** The range of options to be considered should exclude those mentioned in paragraph 33 above but include the newly proposed ones.

38. **Management of the process.** It has been suggested that all measures undertaken or still under consideration should be pursued. There is also an agreement that further work and consultations need to be pursued on the options outlined in paragraphs 24-32, namely Basic Votes and Membership Shares, Special Majorities, Selective Capital Increases, Board Composition and the additional options proposed in paragraph 34.. The Board would prepare a report for the 2005 Spring Meeting which would include the following:

- (a) a status report for the options on which action has been taken or is pending, namely the subscription of IDA shares and the length of ED's terms;
- (b) a careful evaluation of the structural options requiring further consensus: Basic Votes, Membership Shares, Special Majorities, Selective Capital Increases and Board Composition. This report will carefully assess the changes required, their impact on Voice, their likely consequences on the shareholding of the Bank, its management processes and its standing in the financial markets, and their implications for coordination with the IMF;
- (c) a preliminary evaluation of the additional options in paragraph 34;
- (d) specific requests to Governors concerning which options should be pursued further and over what time frame.

39. For the 2005 Annual Meetings, a report would be prepared based on the guidance provided at the 2005 Spring Meetings.

#### ***Guidance Sought from the Governors***

40. The approach presented in paragraphs 35-39 is the one that the Board majority intend to take. The Board of Executive Directors would welcome the support of the Governors on this approach, and would also welcome clear guidance on the best way forward which also insures coordinated action by the Bank and Fund Boards.

**Report of the International Conference on Financing for Development  
Monterrey Mexico 18-22 March 2002 (excerpt)**

62. We stress the need to broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting. To those ends, we also welcome further actions to help developing countries and countries with economies in transition to build their capacity to participate effectively in multilateral forums.
63. A first priority is to find pragmatic and innovative ways to further enhance the effective participation of developing countries and countries with economies in transition in international dialogues and decision-making processes. Within the mandates and means of the respective institutions and forums, we encourage the following actions:
  - International Monetary Fund and World Bank: to continue to enhance participation of all developing countries and countries with economies in transition in their decision-making, and thereby to strengthen the international dialogue and the work of those institutions as they address the development needs and concerns of these countries;”

Summary of Options

OPTIONS	IMPACT	COMMENTS	ACTION REQUIRED
<b>1. Options on which Action Taken</b>			
1. IDA Votes - Part II Members subscribe to allocated subscriptions	<ul style="list-style-type: none"> <li>Part II members subscribe to already allocated subscriptions: if all allocations are subscribed, Part II members' voting power would rise to 48% from 38%</li> </ul>	<ul style="list-style-type: none"> <li>Until Part II IDA members take up remaining subscriptions allocated to them, they will not have the benefit of accompanying increases in voting power.</li> <li>Subscription cost is set at each IDA replenishment at nominal level (\$25/vote).</li> <li>These subscriptions would help demonstrate the collaborative nature of IDA</li> </ul>	<ul style="list-style-type: none"> <li>Subscriptions taken up by remaining Part II members</li> </ul>
<b>2. Options on which Action Pending</b>			
2. Length of EDs' Terms - extend to three years.	<ul style="list-style-type: none"> <li>Provide for more experienced and influential voices at Board.</li> </ul>	<ul style="list-style-type: none"> <li>Constituencies currently able to adjust length of terms with result that some EDs serve longer than two years - and some EDs less</li> <li>Would same result be possible through informal understandings within and among constituencies?</li> </ul>	<ul style="list-style-type: none"> <li>Amend Articles* OR</li> <li>Informal agreements within and between constituencies</li> </ul>
<b>3. Options Requiring further Consensus Building</b>			
3. Increase Basic Votes	<ul style="list-style-type: none"> <li>Double Basic Votes, to 92,000: Developing Countries' share of total votes increases from 40 to 41%</li> <li>Increase basic votes to 10% total: Developing countries share = 43%</li> </ul>	<ul style="list-style-type: none"> <li>No cost to members</li> <li>Does not correct specific cases of under representation</li> </ul>	<ul style="list-style-type: none"> <li>Amend Articles*</li> </ul>

\* Amendment of IBRD Articles of Agreement requires approval by the Board of Governors AND 3/5 majority of member countries having 85% of total voting power.

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\* Capital Increase requires Board of Governors' approval by 75% majority of total voting power.

OPTIONS	IMPACT	COMMENTS	ACTION REQUIRED
<b>3. Options Requiring further Consensus Building (Continued)</b>			
4. Special Majorities (to require specific proportion of developing and transition countries in voting majority)	<ul style="list-style-type: none"> <li>• Ensure substantial support from developing and transition countries for specific decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Would increase need for developing country support of specified decisions</li> <li>• Could permit small group of countries to block decisions by larger group</li> <li>• Will require agreement on legal definitions of a new category of member AND on a set of decisions that require the new majority</li> </ul>	<ul style="list-style-type: none"> <li>• Amend Articles*</li> </ul>
5. Selective Capital Increase - CQ/GNI	<ul style="list-style-type: none"> <li>• Under-represented developing countries (28) eligible to purchase total of 79,957 IBRD shares: Developing country shareholdings increase from 40% to 42.8 % (if all purchased)</li> </ul>	<ul style="list-style-type: none"> <li>• To determine under-representation, last SCI used ratio of share of IBRD shareholding to country's share of either IMF Calculated Quota (CQ) or GNP (now GNI)</li> <li>• Creates financial cost for purchase of shares and additional contingent liability</li> <li>• Would have impact on country rankings</li> </ul>	<ul style="list-style-type: none"> <li>• Board of Governors approval*</li> <li>• Non-subscribing members agree not to exercise their preemptive rights</li> </ul>
6. Selective Capital Increase - PPP	<ul style="list-style-type: none"> <li>• Under-represented developing countries (34) eligible to purchase over 291,000 IBRD shares: Significant changes in country rankings</li> </ul>	<ul style="list-style-type: none"> <li>• Use of PPP methodology would be new departure and create potential problems other calculations now using GNI per capita or CQ</li> <li>• As above, creates financial cost and contingent liability</li> <li>• Would have more significant impact on country rankings than any other option</li> </ul>	<ul style="list-style-type: none"> <li>• Board of Governors approval*</li> <li>• Non-subscribing members agree not to exercise their preemptive rights</li> </ul>

\* Capital Increase requires Board of Governors' approval by 75% majority of total voting power.

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OPTIONS	IMPACT	COMMENTS	ACTION REQUIRED
<b>3. Options Requiring further Consensus Building (Continued)</b>			
7. Increase in Membership Shares	<ul style="list-style-type: none"> <li>• Double Membership Shares by creating 250 for each member: Developing Countries' share of total votes would increase from 40 to 41%.</li> </ul>	<ul style="list-style-type: none"> <li>• Contingent liability for members (\$30,000,000 for each 250 shares)</li> <li>• Would not address under-representation of individual countries</li> </ul>	<ul style="list-style-type: none"> <li>• Board of Governors approval*</li> </ul>
8. Combination of Options	<ul style="list-style-type: none"> <li>• Combine SCI-GNI/CQ with Membership Share Increase option: Developing country shareholdings would increase to 43.8%</li> </ul> <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> <li>• Other permutations</li> </ul>	<ul style="list-style-type: none"> <li>• See comments on options above</li> </ul>	<ul style="list-style-type: none"> <li>• Board of Governors approval*</li> <li>• Non-subscribing members agree not to exercise their preemptive rights</li> </ul>
9. Board Seats - agree on principle that no ED should represent more than 16 countries	<ul style="list-style-type: none"> <li>• Increase in voice of SSA and developing countries.</li> </ul>	<ul style="list-style-type: none"> <li>• Has recent increase in staffing for two largest constituencies obviated need for such action?</li> <li>• Should new chair be created, or can volunteer(s) be found to relinquish chair(s)</li> </ul>	<ul style="list-style-type: none"> <li>• Increase number of elected Executive Directors, by Board of Governors by 80% majority</li> </ul> <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> <li>• Members agree to change nationality for existing chair(s) and current constituency structure</li> </ul>

\* Capital Increase requires Board of Governors' approval by 75% majority of total voting power.

OPTIONS	IMPACT	COMMENTS	ACTION REQUIRED
<b>4. Options to be Dropped</b>			
10. Selective Capital Decrease	<ul style="list-style-type: none"> <li>• Over-represented countries sell some shares to the Bank which in turn sells them to under-represented countries, thereby helping correct distortions in voting Power.</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteers may not be sufficient in number to have great impact on relative voting strength</li> <li>• Would be valuable step toward correcting cases of significant over-representation without needing to have unnecessary capital increase</li> <li>• Only involved countries shares would change</li> <li>• Arrangements would be complex and time-consuming, including proper determination of share price</li> </ul>	<ul style="list-style-type: none"> <li>• Agreed among participating members</li> <li>• Executive Directors' approval may be required</li> </ul>
11. Donor Trust Fund	<ul style="list-style-type: none"> <li>• Donor countries contribute to trust fund to help poor countries purchase membership shares or regular shares</li> </ul>	<ul style="list-style-type: none"> <li>• This would be a tangible way for wealthier shareholders to provide direct help to developing country partners</li> <li>• Could also be used for Part II IDA subscriptions (see 1 above)</li> </ul>	



## **5. Additional Options to Consider**

In the course of the different discussions, the following options have been proposed for consideration: (i) allocation of 50% of the Bank's capital to DTC's; (ii) mandating a communications component in every Bank-financed project to give voice to the poor in all stages of the project cycle; (iii) changing the selection process for the heads of the BWI so that DTC nationals can also be considered, thus removing the perception that the heads of the twin institutions should only originate from particular regions; and (iv) higher representation of DTC nationals in the senior management levels of the BWIs. There has not been sufficient time to make an evaluation of these options.

TABLE 1

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
CURRENT SHARES AND VOTING POWER OF MEMBER COUNTRIES**

(As of August 27, 2004)

<u>Member*</u>	<u>Current Voting Power</u>			
	<u>No. of Shares</u>	<u>Basic Votes</u>	<u>Total Votes</u>	<u>Percent of Total Votes</u>
<b><u>Developed (High Income)</u></b>				
AUSTRALIA	24,464	250	24,714	1.53%
AUSTRIA	11,063	250	11,313	0.70%
BAHAMAS, THE	1,071	250	1,321	0.08%
BAHRAIN	1,103	250	1,353	0.08%
BELGIUM	28,983	250	29,233	1.81%
BRUNEI DARUSSALAM	2,373	250	2,623	0.16%
CANADA	44,795	250	45,045	2.78%
CYPRUS	1,461	250	1,711	0.11%
DENMARK	13,451	250	13,701	0.85%
FINLAND	8,560	250	8,810	0.54%
FRANCE	69,397	250	69,647	4.30%
GERMANY	72,399	250	72,649	4.49%
GREECE	1,684	250	1,934	0.12%
ICELAND	1,258	250	1,508	0.09%
IRELAND	5,271	250	5,521	0.34%
ISRAEL	4,750	250	5,000	0.31%
ITALY	44,795	250	45,045	2.78%
JAPAN	127,000	250	127,250	7.86%
KOREA, REPUBLIC OF	15,817	250	16,067	0.99%
KUWAIT	13,280	250	13,530	0.84%
LUXEMBOURG	1,652	250	1,902	0.12%
NETHERLANDS	35,503	250	35,753	2.21%
NEW ZEALAND	7,236	250	7,486	0.46%
NORWAY	9,982	250	10,232	0.63%
PORTUGAL	5,460	250	5,710	0.35%
QATAR	1,096	250	1,346	0.08%
SAN MARINO	595	250	845	0.05%
SINGAPORE	320	250	570	0.04%
SLOVENIA	1,261	250	1,511	0.09%
SPAIN	27,997	250	28,247	1.75%
SWEDEN	14,974	250	15,224	0.94%
SWITZERLAND	26,606	250	26,856	1.66%
UNITED ARAB EMIRATES	2,385	250	2,635	0.16%
UNITED KINGDOM	69,397	250	69,647	4.30%
UNITED STATES	264,969	250	265,219	16.39%
Countries (35)	962,408	8,750	971,158	60.00%
<b><u>Developing (Low and Middle Income)</u></b>				
AFGHANISTAN	300	250	550	0.03%
ALBANIA	830	250	1,080	0.07%
ALGERIA	9,252	250	9,502	0.59%
ANGOLA	2,676	250	2,926	0.18%
ANTIGUA AND BARBUDA	520	250	770	0.05%
ARGENTINA	17,911	250	18,161	1.12%
ARMENIA	1,139	250	1,389	0.09%
AZERBAIJAN	1,646	250	1,896	0.12%
BANGLADESH	4,854	250	5,104	0.32%
BARBADOS	948	250	1,198	0.07%
BELARUS	3,323	250	3,573	0.22%
BELIZE	586	250	836	0.05%
BENIN	868	250	1,118	0.07%
BHUTAN	479	250	729	0.05%
BOLIVIA	1,785	250	2,035	0.13%
BOSNIA AND HERZEGOVINA	549	250	799	0.05%
BOTSWANA	615	250	865	0.05%
BRAZIL	33,287	250	33,537	2.07%
BULGARIA	5,215	250	5,465	0.34%
BURKINA FASO	868	250	1,118	0.07%
BURUNDI	716	250	966	0.06%

<b>Member*</b>	<b>No. of Shares</b>	<b>Basic Votes</b>	<b>Total Votes</b>	<b>Percent of Total Votes</b>
CAMBODIA	214	250	464	0.03%
CAMEROON	1,527	250	1,777	0.11%
CAPE VERDE	508	250	758	0.05%
CENTRAL AFRICAN REPUBLIC	862	250	1,112	0.07%
CHAD	862	250	1,112	0.07%
CHILE	6,931	250	7,181	0.44%
CHINA	44,799	250	45,049	2.78%
COLOMBIA	6,352	250	6,602	0.41%
COMOROS	282	250	532	0.03%
CONGO, DEM. REP. OF	2,643	250	2,893	0.18%
CONGO, REPUBLIC OF	927	250	1,177	0.07%
COSTA RICA	233	250	483	0.03%
COTE D'IVOIRE	2,516	250	2,766	0.17%
CROATIA	2,293	250	2,543	0.16%
CZECH REPUBLIC	6,308	250	6,558	0.41%
DJIBOUTI	559	250	809	0.05%
DOMINICA	504	250	754	0.05%
DOMINICAN REPUBLIC	2,092	250	2,342	0.14%
ECUADOR	2,771	250	3,021	0.19%
EGYPT, ARAB REPUBLIC OF	7,108	250	7,358	0.45%
EL SALVADOR	141	250	391	0.02%
EQUATORIAL GUINEA	715	250	965	0.06%
ERITREA	593	250	843	0.05%
ESTONIA	923	250	1,173	0.07%
ETHIOPIA	978	250	1,228	0.08%
FIJI	987	250	1,237	0.08%
GABON	987	250	1,237	0.08%
GAMBIA, THE	543	250	793	0.05%
GEORGIA	1,584	250	1,834	0.11%
GHANA	1,525	250	1,775	0.11%
GRENADA	531	250	781	0.05%
GUATEMALA	2,001	250	2,251	0.14%
GUINEA	1,292	250	1,542	0.10%
GUINEA-BISSAU	540	250	790	0.05%
GUYANA	1,058	250	1,308	0.08%
HAITI	1,067	250	1,317	0.08%
HONDURAS	641	250	891	0.06%
HUNGARY	8,050	250	8,300	0.51%
INDIA	44,795	250	45,045	2.78%
INDONESIA	14,981	250	15,231	0.94%
IRAN, ISLAMIC REPUBLIC OF	23,686	250	23,936	1.48%
IRAQ	2,808	250	3,058	0.19%
JAMAICA	2,578	250	2,828	0.17%
JORDAN	1,388	250	1,638	0.10%
KAZAKHSTAN	2,985	250	3,235	0.20%
KENYA	2,461	250	2,711	0.17%
KIRIBATI	465	250	715	0.04%
KYRGYZ REPUBLIC	1,107	250	1,357	0.08%
LAO PEOPLE'S DEM. REP.	178	250	428	0.03%
LATVIA	1,384	250	1,634	0.10%
LEBANON	340	250	590	0.04%
LESOTHO	663	250	913	0.06%
LIBERIA	463	250	713	0.04%
LIBYA	7,840	250	8,090	0.50%
LITHUANIA	1,507	250	1,757	0.11%
MACEDONIA, FYR OF	427	250	677	0.04%
MADAGASCAR	1,422	250	1,672	0.10%
MALAWI	1,094	250	1,344	0.08%
MALAYSIA	8,244	250	8,494	0.52%
MALDIVES	469	250	719	0.04%
MALI	1,162	250	1,412	0.09%
MALTA	1,074	250	1,324	0.08%
MARSHALL ISLANDS	469	250	719	0.04%
MAURITANIA	900	250	1,150	0.07%
MAURITIUS	1,242	250	1,492	0.09%
MEXICO	18,804	250	19,054	1.18%
MICRONESIA, FED. STATES OF	479	250	729	0.05%
MOLDOVA	1,368	250	1,618	0.10%
MONGOLIA	466	250	716	0.04%
MOROCCO	4,973	250	5,223	0.32%

<b>Member*</b>	<b>No. of Shares</b>	<b>Basic Votes</b>	<b>Total Votes</b>	<b>Percent of Total Votes</b>
MOZAMBIQUE	930	250	1,180	0.07%
MYANMAR	2,484	250	2,734	0.17%
NAMIBIA	1,523	250	1,773	0.11%
NEPAL	968	250	1,218	0.08%
NICARAGUA	608	250	858	0.05%
NIGER	852	250	1,102	0.07%
NIGERIA	12,655	250	12,905	0.80%
OMAN	1,561	250	1,811	0.11%
PAKISTAN	9,339	250	9,589	0.59%
PALAU	16	250	266	0.02%
PANAMA	385	250	635	0.04%
PAPUA NEW GUINEA	1,294	250	1,544	0.10%
PARAGUAY	1,229	250	1,479	0.09%
PERU	5,331	250	5,581	0.34%
PHILIPPINES	6,844	250	7,094	0.44%
POLAND	10,908	250	11,158	0.69%
ROMANIA	4,011	250	4,261	0.26%
RUSSIAN FEDERATION	44,795	250	45,045	2.78%
RWANDA	1,046	250	1,296	0.08%
SAMOA	531	250	781	0.05%
SAO TOME AND PRINCIPE	495	250	745	0.05%
SAUDI ARABIA	44,795	250	45,045	2.78%
SENEGAL	2,072	250	2,322	0.14%
SERBIA AND MONTENEGRO	2,846	250	3,096	0.19%
SEYCHELLES	263	250	513	0.03%
SIERRA LEONE	718	250	968	0.06%
SLOVAK REPUBLIC	3,216	250	3,466	0.21%
SOLOMON ISLANDS	513	250	763	0.05%
SOMALIA	552	250	802	0.05%
SOUTH AFRICA	13,462	250	13,712	0.85%
SRI LANKA	3,817	250	4,067	0.25%
ST. KITTS AND NEVIS	275	250	525	0.03%
ST. LUCIA	552	250	802	0.05%
ST. VINCENT & THE GRENADINES	278	250	528	0.03%
SUDAN	850	250	1,100	0.07%
SURINAME	412	250	662	0.04%
SWAZILAND	440	250	690	0.04%
SYRIAN ARAB REPUBLIC	2,202	250	2,452	0.15%
TAJIKISTAN	1,060	250	1,310	0.08%
TANZANIA	1,295	250	1,545	0.10%
THAILAND	6,349	250	6,599	0.41%
TIMOR-LESTE	517	250	767	0.05%
TOGO	1,105	250	1,355	0.08%
TONGA	494	250	744	0.05%
TRINIDAD AND TOBAGO	2,664	250	2,914	0.18%
TUNISIA	719	250	969	0.06%
TURKEY	8,328	250	8,578	0.53%
TURKMENISTAN	526	250	776	0.05%
UGANDA	617	250	867	0.05%
UKRAINE	10,908	250	11,158	0.69%
URUGUAY	2,812	250	3,062	0.19%
UZBEKISTAN	2,493	250	2,743	0.17%
VANUATU	586	250	836	0.05%
VENEZUELA, REP. BOLIVARIANA DE	20,361	250	20,611	1.27%
VIETNAM	968	250	1,218	0.08%
YEMEN, REPUBLIC OF	2,212	250	2,462	0.15%
ZAMBIA	2,810	250	3,060	0.19%
ZIMBABWE	3,325	250	3,575	0.22%
Countries (149)	610,253	37,250	647,503	40.00%
<b>Total</b>	<b>1,572,661</b>	<b>46,000</b>	<b>1,618,661</b>	<b>100.00%</b>

\* Development income levels based on the World Development Indicators, April 2003.

TABLE 2

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
SHARES AND VOTING POWER OF MEMBER COUNTRIES**

(Assuming Additional 250 Basic Votes)

Member*	Voting Power				
	No. of Shares	Basic Votes	Add'l Basic Votes	Total Votes	Percent of Total Votes
<b>Developed (High Income)</b>					
AUSTRALIA	24,464	250	250	24,964	1.50%
AUSTRIA	11,063	250	250	11,563	0.69%
BAHAMAS, THE	1,071	250	250	1,571	0.09%
BAHRAIN	1,103	250	250	1,603	0.10%
BELGIUM	28,983	250	250	29,483	1.77%
BRUNEI DARUSSALAM	2,373	250	250	2,873	0.17%
CANADA	44,795	250	250	45,295	2.72%
CYPRUS	1,461	250	250	1,961	0.12%
DENMARK	13,451	250	250	13,951	0.84%
FINLAND	8,560	250	250	9,060	0.54%
FRANCE	69,397	250	250	69,897	4.20%
GERMANY	72,399	250	250	72,899	4.38%
GREECE	1,684	250	250	2,184	0.13%
ICELAND	1,258	250	250	1,758	0.11%
IRELAND	5,271	250	250	5,771	0.35%
ISRAEL	4,750	250	250	5,250	0.32%
ITALY	44,795	250	250	45,295	2.72%
JAPAN	127,000	250	250	127,500	7.66%
KOREA, REPUBLIC OF	15,817	250	250	16,317	0.98%
KUWAIT	13,280	250	250	13,780	0.83%
LUXEMBOURG	1,652	250	250	2,152	0.13%
NETHERLANDS	35,503	250	250	36,003	2.16%
NEW ZEALAND	7,236	250	250	7,736	0.46%
NORWAY	9,982	250	250	10,482	0.63%
PORTUGAL	5,460	250	250	5,960	0.36%
QATAR	1,096	250	250	1,596	0.10%
SAN MARINO	595	250	250	1,095	0.07%
SINGAPORE	320	250	250	820	0.05%
SLOVENIA	1,261	250	250	1,761	0.11%
SPAIN	27,997	250	250	28,497	1.71%
SWEDEN	14,974	250	250	15,474	0.93%
SWITZERLAND	26,606	250	250	27,106	1.63%
UNITED ARAB EMIRATES	2,385	250	250	2,885	0.17%
UNITED KINGDOM	69,397	250	250	69,897	4.20%
UNITED STATES	264,969	250	250	265,469	15.95%
Countries (35)	962,408	8,750	8,750	979,908	58.87%
<b>Developing (Low and Middle Income)</b>					
AFGHANISTAN	300	250	250	800	0.05%
ALBANIA	830	250	250	1,330	0.08%
ALGERIA	9,252	250	250	9,752	0.59%
ANGOLA	2,676	250	250	3,176	0.19%
ANTIGUA AND BARBUDA	520	250	250	1,020	0.06%
ARGENTINA	17,911	250	250	18,411	1.11%
ARMENIA	1,139	250	250	1,639	0.10%
AZERBAIJAN	1,646	250	250	2,146	0.13%
BANGLADESH	4,854	250	250	5,354	0.32%
BARBADOS	948	250	250	1,448	0.09%
BELARUS	3,323	250	250	3,823	0.23%
BELIZE	586	250	250	1,086	0.07%
BENIN	868	250	250	1,368	0.08%
BHUTAN	479	250	250	979	0.06%
BOLIVIA	1,785	250	250	2,285	0.14%
BOSNIA AND HERZEGOVINA	549	250	250	1,049	0.06%
BOTSWANA	615	250	250	1,115	0.07%
BRAZIL	33,287	250	250	33,787	2.03%
BULGARIA	5,215	250	250	5,715	0.34%
BURKINA FASO	868	250	250	1,368	0.08%

<b>Member*</b>	<b>No. of Shares</b>	<b>Basic Votes</b>	<b>Add'l Basic Votes</b>	<b>Total Votes</b>	<b>Percent of Total Votes</b>
BURUNDI	716	250	250	1,216	0.07%
CAMBODIA	214	250	250	714	0.04%
CAMEROON	1,527	250	250	2,027	0.12%
CAPE VERDE	508	250	250	1,008	0.06%
CENTRAL AFRICAN REPUBLIC	862	250	250	1,362	0.08%
CHAD	862	250	250	1,362	0.08%
CHILE	6,931	250	250	7,431	0.45%
CHINA	44,799	250	250	45,299	2.72%
COLOMBIA	6,352	250	250	6,852	0.41%
COMOROS	282	250	250	782	0.05%
CONGO, DEM. REP. OF	2,643	250	250	3,143	0.19%
CONGO, REPUBLIC OF	927	250	250	1,427	0.09%
COSTA RICA	233	250	250	733	0.04%
COTE D'IVOIRE	2,516	250	250	3,016	0.18%
CROATIA	2,293	250	250	2,793	0.17%
CZECH REPUBLIC	6,308	250	250	6,808	0.41%
DJIBOUTI	559	250	250	1,059	0.06%
DOMINICA	504	250	250	1,004	0.06%
DOMINICAN REPUBLIC	2,092	250	250	2,592	0.16%
ECUADOR	2,771	250	250	3,271	0.20%
EGYPT, ARAB REPUBLIC OF	7,108	250	250	7,608	0.46%
EL SALVADOR	141	250	250	641	0.04%
EQUATORIAL GUINEA	715	250	250	1,215	0.07%
ERITREA	593	250	250	1,093	0.07%
ESTONIA	923	250	250	1,423	0.09%
ETHIOPIA	978	250	250	1,478	0.09%
FIJI	987	250	250	1,487	0.09%
GABON	987	250	250	1,487	0.09%
GAMBIA, THE	543	250	250	1,043	0.06%
GEORGIA	1,584	250	250	2,084	0.13%
GHANA	1,525	250	250	2,025	0.12%
GRENADA	531	250	250	1,031	0.06%
GUATEMALA	2,001	250	250	2,501	0.15%
GUINEA	1,292	250	250	1,792	0.11%
GUINEA-BISSAU	540	250	250	1,040	0.06%
GUYANA	1,058	250	250	1,558	0.09%
HAITI	1,067	250	250	1,567	0.09%
HONDURAS	641	250	250	1,141	0.07%
HUNGARY	8,050	250	250	8,550	0.51%
INDIA	44,795	250	250	45,295	2.72%
INDONESIA	14,981	250	250	15,481	0.93%
IRAN, ISLAMIC REPUBLIC OF	23,686	250	250	24,186	1.45%
IRAQ	2,808	250	250	3,308	0.20%
JAMAICA	2,578	250	250	3,078	0.18%
JORDAN	1,388	250	250	1,888	0.11%
KAZAKHSTAN	2,985	250	250	3,485	0.21%
KENYA	2,461	250	250	2,961	0.18%
KIRIBATI	465	250	250	965	0.06%
KYRGYZ REPUBLIC	1,107	250	250	1,607	0.10%
LAO PEOPLE'S DEM. REP.	178	250	250	678	0.04%
LATVIA	1,384	250	250	1,884	0.11%
LEBANON	340	250	250	840	0.05%
LESOTHO	663	250	250	1,163	0.07%
LIBERIA	463	250	250	963	0.06%
LIBYA	7,840	250	250	8,340	0.50%
LITHUANIA	1,507	250	250	2,007	0.12%
MACEDONIA, FYR OF	427	250	250	927	0.06%
MADAGASCAR	1,422	250	250	1,922	0.12%
MALAWI	1,094	250	250	1,594	0.10%
MALAYSIA	8,244	250	250	8,744	0.53%
MALDIVES	469	250	250	969	0.06%
MALI	1,162	250	250	1,662	0.10%
MALTA	1,074	250	250	1,574	0.09%
MARSHALL ISLANDS	469	250	250	969	0.06%
MAURITANIA	900	250	250	1,400	0.08%
MAURITIUS	1,242	250	250	1,742	0.10%
MEXICO	18,804	250	250	19,304	1.16%
MICRONESIA, FED. STATES OF	479	250	250	979	0.06%
MOLDOVA	1,368	250	250	1,868	0.11%
MONGOLIA	466	250	250	966	0.06%

<b>Member*</b>	<b>No. of Shares</b>	<b>Basic Votes</b>	<b>Add'l Basic Votes</b>	<b>Total Votes</b>	<b>Percent of Total Votes</b>
MOROCCO	4,973	250	250	5,473	0.33%
MOZAMBIQUE	930	250	250	1,430	0.09%
MYANMAR	2,484	250	250	2,984	0.18%
NAMIBIA	1,523	250	250	2,023	0.12%
NEPAL	968	250	250	1,468	0.09%
NICARAGUA	608	250	250	1,108	0.07%
NIGER	852	250	250	1,352	0.08%
NIGERIA	12,655	250	250	13,155	0.79%
OMAN	1,561	250	250	2,061	0.12%
PAKISTAN	9,339	250	250	9,839	0.59%
PALAU	16	250	250	516	0.03%
PANAMA	385	250	250	885	0.05%
PAPUA NEW GUINEA	1,294	250	250	1,794	0.11%
PARAGUAY	1,229	250	250	1,729	0.10%
PERU	5,331	250	250	5,831	0.35%
PHILIPPINES	6,844	250	250	7,344	0.44%
POLAND	10,908	250	250	11,408	0.69%
ROMANIA	4,011	250	250	4,511	0.27%
RUSSIAN FEDERATION	44,795	250	250	45,295	2.72%
RWANDA	1,046	250	250	1,546	0.09%
SAMOA	531	250	250	1,031	0.06%
SAO TOME AND PRINCIPE	495	250	250	995	0.06%
SAUDI ARABIA	44,795	250	250	45,295	2.72%
SENEGAL	2,072	250	250	2,572	0.15%
SERBIA AND MONTENEGRO	2,846	250	250	3,346	0.20%
SEYCHELLES	263	250	250	763	0.05%
SIERRA LEONE	718	250	250	1,218	0.07%
SLOVAK REPUBLIC	3,216	250	250	3,716	0.22%
SOLOMON ISLANDS	513	250	250	1,013	0.06%
SOMALIA	552	250	250	1,052	0.06%
SOUTH AFRICA	13,462	250	250	13,962	0.84%
SRI LANKA	3,817	250	250	4,317	0.26%
ST. KITTS AND NEVIS	275	250	250	775	0.05%
ST. LUCIA	552	250	250	1,052	0.06%
ST. VINCENT & THE GRENADINES	278	250	250	778	0.05%
SUDAN	850	250	250	1,350	0.08%
SURINAME	412	250	250	912	0.05%
SWAZILAND	440	250	250	940	0.06%
SYRIAN ARAB REPUBLIC	2,202	250	250	2,702	0.16%
TAJIKISTAN	1,060	250	250	1,560	0.09%
TANZANIA	1,295	250	250	1,795	0.11%
THAILAND	6,349	250	250	6,849	0.41%
TIMOR-LESTE	517	250	250	1,017	0.06%
TOGO	1,105	250	250	1,605	0.10%
TONGA	494	250	250	994	0.06%
TRINIDAD AND TOBAGO	2,664	250	250	3,164	0.19%
TUNISIA	719	250	250	1,219	0.07%
TURKEY	8,328	250	250	8,828	0.53%
TURKMENISTAN	526	250	250	1,026	0.06%
UGANDA	617	250	250	1,117	0.07%
UKRAINE	10,908	250	250	11,408	0.69%
URUGUAY	2,812	250	250	3,312	0.20%
UZBEKISTAN	2,493	250	250	2,993	0.18%
VANUATU	586	250	250	1,086	0.07%
VENEZUELA, REP. BOLIVARIANA DE	20,361	250	250	20,861	1.25%
VIETNAM	968	250	250	1,468	0.09%
YEMEN, REPUBLIC OF	2,212	250	250	2,712	0.16%
ZAMBIA	2,810	250	250	3,310	0.20%
ZIMBABWE	3,325	250	250	3,825	0.23%
Countries (149)	610,253	37,250	37,250	684,753	41.13%
<b>Total</b>	<b>1,572,661</b>	<b>46,000</b>	<b>46,000</b>	<b>1,664,661</b>	<b>100.00%</b>

\* Development income levels based on the World Development Indicators, April 2003.

TABLE 3

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
SHARES AND VOTING POWER OF MEMBER COUNTRIES**

(Assuming Basic Votes and Additional Basic Votes Represent 10% of Total Voting Power)

Member*	Voting Power				
	No. of Shares	Basic Votes	Add'l Basic Votes	Total Votes	Percent of Total Votes
<b>Developed (High Income)</b>					
AUSTRALIA	24,464	250	700	25,414	1.45%
AUSTRIA	11,063	250	700	12,013	0.69%
BAHAMAS, THE	1,071	250	700	2,021	0.12%
BAHRAIN	1,103	250	700	2,053	0.12%
BELGIUM	28,983	250	700	29,933	1.71%
BRUNEI DARUSSALAM	2,373	250	700	3,323	0.19%
CANADA	44,795	250	700	45,745	2.62%
CYPRUS	1,461	250	700	2,411	0.14%
DENMARK	13,451	250	700	14,401	0.82%
FINLAND	8,560	250	700	9,510	0.54%
FRANCE	69,397	250	700	70,347	4.03%
GERMANY	72,399	250	700	73,349	4.20%
GREECE	1,684	250	700	2,634	0.15%
ICELAND	1,258	250	700	2,208	0.13%
IRELAND	5,271	250	700	6,221	0.36%
ISRAEL	4,750	250	700	5,700	0.33%
ITALY	44,795	250	700	45,745	2.62%
JAPAN	127,000	250	700	127,950	7.32%
KOREA, REPUBLIC OF	15,817	250	700	16,767	0.96%
KUWAIT	13,280	250	700	14,230	0.81%
LUXEMBOURG	1,652	250	700	2,602	0.15%
NETHERLANDS	35,503	250	700	36,453	2.09%
NEW ZEALAND	7,236	250	700	8,186	0.47%
NORWAY	9,982	250	700	10,932	0.63%
PORTUGAL	5,460	250	700	6,410	0.37%
QATAR	1,096	250	700	2,046	0.12%
SAN MARINO	595	250	700	1,545	0.09%
SINGAPORE	320	250	700	1,270	0.07%
SLOVENIA	1,261	250	700	2,211	0.13%
SPAIN	27,997	250	700	28,947	1.66%
SWEDEN	14,974	250	700	15,924	0.91%
SWITZERLAND	26,606	250	700	27,556	1.58%
UNITED ARAB EMIRATES	2,385	250	700	3,335	0.19%
UNITED KINGDOM	69,397	250	700	70,347	4.03%
UNITED STATES	264,969	250	700	265,919	15.22%
Countries (35)	962,408	8,750	24,500	995,658	56.98%
<b>Developing (Low and Middle Income)</b>					
AFGHANISTAN	300	250	700	1,250	0.07%
ALBANIA	830	250	700	1,780	0.10%
ALGERIA	9,252	250	700	10,202	0.58%
ANGOLA	2,676	250	700	3,626	0.21%
ANTIGUA AND BARBUDA	520	250	700	1,470	0.08%
ARGENTINA	17,911	250	700	18,861	1.08%
ARMENIA	1,139	250	700	2,089	0.12%
AZERBAIJAN	1,646	250	700	2,596	0.15%
BANGLADESH	4,854	250	700	5,804	0.33%
BARBADOS	948	250	700	1,898	0.11%
BELARUS	3,323	250	700	4,273	0.24%
BELIZE	586	250	700	1,536	0.09%
BENIN	868	250	700	1,818	0.10%
BHUTAN	479	250	700	1,429	0.08%
BOLIVIA	1,785	250	700	2,735	0.16%
BOSNIA AND HERZEGOVINA	549	250	700	1,499	0.09%
BOTSWANA	615	250	700	1,565	0.09%
BRAZIL	33,287	250	700	34,237	1.96%
BULGARIA	5,215	250	700	6,165	0.35%
BURKINA FASO	868	250	700	1,818	0.10%



<u>Member*</u>	<u>No. of Shares</u>	<u>Basic Votes</u>	<u>Add'l Basic Votes</u>	<u>Total Votes</u>	<u>Percent of Total Votes</u>
BURUNDI	716	250	700	1,666	0.10%
CAMBODIA	214	250	700	1,164	0.07%
CAMEROON	1,527	250	700	2,477	0.14%
CAPE VERDE	508	250	700	1,458	0.08%
CENTRAL AFRICAN REPUBLIC	862	250	700	1,812	0.10%
CHAD	862	250	700	1,812	0.10%
CHILE	6,931	250	700	7,881	0.45%
CHINA	44,799	250	700	45,749	2.62%
COLOMBIA	6,352	250	700	7,302	0.42%
COMOROS	282	250	700	1,232	0.07%
CONGO, DEM. REP. OF	2,643	250	700	3,593	0.21%
CONGO, REPUBLIC OF	927	250	700	1,877	0.11%
COSTA RICA	233	250	700	1,183	0.07%
COTE D'IVOIRE	2,516	250	700	3,466	0.20%
CROATIA	2,293	250	700	3,243	0.19%
CZECH REPUBLIC	6,308	250	700	7,258	0.42%
DJIBOUTI	559	250	700	1,509	0.09%
DOMINICA	504	250	700	1,454	0.08%
DOMINICAN REPUBLIC	2,092	250	700	3,042	0.17%
ECUADOR	2,771	250	700	3,721	0.21%
EGYPT, ARAB REPUBLIC OF	7,108	250	700	8,058	0.46%
EL SALVADOR	141	250	700	1,091	0.06%
EQUATORIAL GUINEA	715	250	700	1,665	0.10%
ERITREA	593	250	700	1,543	0.09%
ESTONIA	923	250	700	1,873	0.11%
ETHIOPIA	978	250	700	1,928	0.11%
FIJI	987	250	700	1,937	0.11%
GABON	987	250	700	1,937	0.11%
GAMBIA, THE	543	250	700	1,493	0.09%
GEORGIA	1,584	250	700	2,534	0.15%
GHANA	1,525	250	700	2,475	0.14%
GRENADA	531	250	700	1,481	0.08%
GUATEMALA	2,001	250	700	2,951	0.17%
GUINEA	1,292	250	700	2,242	0.13%
GUINEA-BISSAU	540	250	700	1,490	0.09%
GUYANA	1,058	250	700	2,008	0.11%
HAITI	1,067	250	700	2,017	0.12%
HONDURAS	641	250	700	1,591	0.09%
HUNGARY	8,050	250	700	9,000	0.52%
INDIA	44,795	250	700	45,745	2.62%
INDONESIA	14,981	250	700	15,931	0.91%
IRAN, ISLAMIC REPUBLIC OF	23,686	250	700	24,636	1.41%
IRAQ	2,808	250	700	3,758	0.22%
JAMAICA	2,578	250	700	3,528	0.20%
JORDAN	1,388	250	700	2,338	0.13%
KAZAKHSTAN	2,985	250	700	3,935	0.23%
KENYA	2,461	250	700	3,411	0.20%
KIRIBATI	465	250	700	1,415	0.08%
KYRGYZ REPUBLIC	1,107	250	700	2,057	0.12%
LAO PEOPLE'S DEM. REP.	178	250	700	1,128	0.06%
LATVIA	1,384	250	700	2,334	0.13%
LEBANON	340	250	700	1,290	0.07%
LESOTHO	663	250	700	1,613	0.09%
LIBERIA	463	250	700	1,413	0.08%
LIBYA	7,840	250	700	8,790	0.50%
LITHUANIA	1,507	250	700	2,457	0.14%
MACEDONIA, FYR OF	427	250	700	1,377	0.08%
MADAGASCAR	1,422	250	700	2,372	0.14%
MALAWI	1,094	250	700	2,044	0.12%
MALAYSIA	8,244	250	700	9,194	0.53%
MALDIVES	469	250	700	1,419	0.08%
MALI	1,162	250	700	2,112	0.12%
MALTA	1,074	250	700	2,024	0.12%
MARSHALL ISLANDS	469	250	700	1,419	0.08%
MAURITANIA	900	250	700	1,850	0.11%
MAURITIUS	1,242	250	700	2,192	0.13%
MEXICO	18,804	250	700	19,754	1.13%
MICRONESIA, FED. STATES OF	479	250	700	1,429	0.08%
MOLDOVA	1,368	250	700	2,318	0.13%
MONGOLIA	466	250	700	1,416	0.08%

<b>Member*</b>	<b>No. of Shares</b>	<b>Basic Votes</b>	<b>Add'l Basic Votes</b>	<b>Total Votes</b>	<b>Percent of Total Votes</b>
MOROCCO	4,973	250	700	5,923	0.34%
MOZAMBIQUE	930	250	700	1,880	0.11%
MYANMAR	2,484	250	700	3,434	0.20%
NAMIBIA	1,523	250	700	2,473	0.14%
NEPAL	968	250	700	1,918	0.11%
NICARAGUA	608	250	700	1,558	0.09%
NIGER	852	250	700	1,802	0.10%
NIGERIA	12,655	250	700	13,605	0.78%
OMAN	1,561	250	700	2,511	0.14%
PAKISTAN	9,339	250	700	10,289	0.59%
PALAU	16	250	700	966	0.06%
PANAMA	385	250	700	1,335	0.08%
PAPUA NEW GUINEA	1,294	250	700	2,244	0.13%
PARAGUAY	1,229	250	700	2,179	0.12%
PERU	5,331	250	700	6,281	0.36%
PHILIPPINES	6,844	250	700	7,794	0.45%
POLAND	10,908	250	700	11,858	0.68%
ROMANIA	4,011	250	700	4,961	0.28%
RUSSIAN FEDERATION	44,795	250	700	45,745	2.62%
RWANDA	1,046	250	700	1,996	0.11%
SAMOA	531	250	700	1,481	0.08%
SAO TOME AND PRINCIPE	495	250	700	1,445	0.08%
SAUDI ARABIA	44,795	250	700	45,745	2.62%
SENEGAL	2,072	250	700	3,022	0.17%
SERBIA AND MONTENEGRO	2,846	250	700	3,796	0.22%
SEYCHELLES	263	250	700	1,213	0.07%
SIERRA LEONE	718	250	700	1,668	0.10%
SLOVAK REPUBLIC	3,216	250	700	4,166	0.24%
SOLOMON ISLANDS	513	250	700	1,463	0.08%
SOMALIA	552	250	700	1,502	0.09%
SOUTH AFRICA	13,462	250	700	14,412	0.82%
SRI LANKA	3,817	250	700	4,767	0.27%
ST. KITTS AND NEVIS	275	250	700	1,225	0.07%
ST. LUCIA	552	250	700	1,502	0.09%
ST. VINCENT & THE GRENADINES	278	250	700	1,228	0.07%
SUDAN	850	250	700	1,800	0.10%
SURINAME	412	250	700	1,362	0.08%
SWAZILAND	440	250	700	1,390	0.08%
SYRIAN ARAB REPUBLIC	2,202	250	700	3,152	0.18%
TAJIKISTAN	1,060	250	700	2,010	0.12%
TANZANIA	1,295	250	700	2,245	0.13%
THAILAND	6,349	250	700	7,299	0.42%
TIMOR-LESTE	517	250	700	1,467	0.08%
TOGO	1,105	250	700	2,055	0.12%
TONGA	494	250	700	1,444	0.08%
TRINIDAD AND TOBAGO	2,664	250	700	3,614	0.21%
TUNISIA	719	250	700	1,669	0.10%
TURKEY	8,328	250	700	9,278	0.53%
TURKMENISTAN	526	250	700	1,476	0.08%
UGANDA	617	250	700	1,567	0.09%
UKRAINE	10,908	250	700	11,858	0.68%
URUGUAY	2,812	250	700	3,762	0.22%
UZBEKISTAN	2,493	250	700	3,443	0.20%
VANUATU	586	250	700	1,536	0.09%
VENEZUELA, REP. BOLIVARIANA DE	20,361	250	700	21,311	1.22%
VIETNAM	968	250	700	1,918	0.11%
YEMEN, REPUBLIC OF	2,212	250	700	3,162	0.18%
ZAMBIA	2,810	250	700	3,760	0.22%
ZIMBABWE	3,325	250	700	4,275	0.24%
<b>Countries (149)</b>	<b>610,253</b>	<b>37,250</b>	<b>104,300</b>	<b>751,803</b>	<b>43.02%</b>
<b>Total</b>	<b>1,572,661</b>	<b>46,000</b>	<b>128,800</b>	<b>1,747,461</b>	<b>100.00%</b>
	<b>90.00%</b>	<b>10.00%</b>	<b>100.00%</b>		

700

\* Development income levels based on the World Development Indicators, April 2003.

TABLE 4

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
SHARES AND VOTING POWER OF MEMBER COUNTRIES**

(Assuming Additional 250 "Membership" Shares)

<u>Member*</u>	Voting Power				
	No. of Shares	Basic Votes	Add'l "Membership" Shares	Total Votes	Percent of Total Votes
<b><u>Developed (High Income)</u></b>					
AUSTRALIA	24,464	250	250	24,964	1.50%
AUSTRIA	11,063	250	250	11,563	0.69%
BAHAMAS, THE	1,071	250	250	1,571	0.09%
BAHRAIN	1,103	250	250	1,603	0.10%
BELGIUM	28,983	250	250	29,483	1.77%
BRUNEI DARUSSALAM	2,373	250	250	2,873	0.17%
CANADA	44,795	250	250	45,295	2.72%
CYPRUS	1,461	250	250	1,961	0.12%
DENMARK	13,451	250	250	13,951	0.84%
FINLAND	8,560	250	250	9,060	0.54%
FRANCE	69,397	250	250	69,897	4.20%
GERMANY	72,399	250	250	72,899	4.38%
GREECE	1,684	250	250	2,184	0.13%
ICELAND	1,258	250	250	1,758	0.11%
IRELAND	5,271	250	250	5,771	0.35%
ISRAEL	4,750	250	250	5,250	0.32%
ITALY	44,795	250	250	45,295	2.72%
JAPAN	127,000	250	250	127,500	7.66%
KOREA, REPUBLIC OF	15,817	250	250	16,317	0.98%
KUWAIT	13,280	250	250	13,780	0.83%
LUXEMBOURG	1,652	250	250	2,152	0.13%
NETHERLANDS	35,503	250	250	36,003	2.16%
NEW ZEALAND	7,236	250	250	7,736	0.46%
NORWAY	9,982	250	250	10,482	0.63%
PORTUGAL	5,460	250	250	5,960	0.36%
QATAR	1,096	250	250	1,596	0.10%
SAN MARINO	595	250	250	1,095	0.07%
SINGAPORE	320	250	250	820	0.05%
SLOVENIA	1,261	250	250	1,761	0.11%
SPAIN	27,997	250	250	28,497	1.71%
SWEDEN	14,974	250	250	15,474	0.93%
SWITZERLAND	26,606	250	250	27,106	1.63%
UNITED ARAB EMIRATES	2,385	250	250	2,885	0.17%
UNITED KINGDOM	69,397	250	250	69,897	4.20%
UNITED STATES	264,969	250	250	265,469	15.95%
Countries (35)	962,408	8,750	8,750	979,908	58.87%
<b><u>Developing (Low and Middle Income)</u></b>					
AFGHANISTAN	300	250	250	800	0.05%
ALBANIA	830	250	250	1,330	0.08%
ALGERIA	9,252	250	250	9,752	0.59%
ANGOLA	2,676	250	250	3,176	0.19%
ANTIGUA AND BARBUDA	520	250	250	1,020	0.06%
ARGENTINA	17,911	250	250	18,411	1.11%
ARMENIA	1,139	250	250	1,639	0.10%
AZERBAIJAN	1,646	250	250	2,146	0.13%
BANGLADESH	4,854	250	250	5,354	0.32%
BARBADOS	948	250	250	1,448	0.09%
BELARUS	3,323	250	250	3,823	0.23%
BELIZE	586	250	250	1,086	0.07%
BENIN	868	250	250	1,368	0.08%
BHUTAN	479	250	250	979	0.06%
BOLIVIA	1,785	250	250	2,285	0.14%
BOSNIA AND HERZEGOVINA	549	250	250	1,049	0.06%
BOTSWANA	615	250	250	1,115	0.07%
BRAZIL	33,287	250	250	33,787	2.03%
BULGARIA	5,215	250	250	5,715	0.34%
BURKINA FASO	868	250	250	1,368	0.08%

<u>Member*</u>	<u>No. of Shares</u>	<u>Basic Votes</u>	<u>Add'l "Membership" Shares</u>	<u>Total Votes</u>	<u>Percent of Total Votes</u>
BURUNDI	716	250	250	1,216	0.07%
CAMBODIA	214	250	250	714	0.04%
CAMEROON	1,527	250	250	2,027	0.12%
CAPE VERDE	508	250	250	1,008	0.06%
CENTRAL AFRICAN REPUBLIC	862	250	250	1,362	0.08%
CHAD	862	250	250	1,362	0.08%
CHILE	6,931	250	250	7,431	0.45%
CHINA	44,799	250	250	45,299	2.72%
COLOMBIA	6,352	250	250	6,852	0.41%
COMOROS	282	250	250	782	0.05%
CONGO, DEM. REP. OF	2,643	250	250	3,143	0.19%
CONGO, REPUBLIC OF	927	250	250	1,427	0.09%
COSTA RICA	233	250	250	733	0.04%
COTE D'IVOIRE	2,516	250	250	3,016	0.18%
CROATIA	2,293	250	250	2,793	0.17%
CZECH REPUBLIC	6,308	250	250	6,808	0.41%
DJIBOUTI	559	250	250	1,059	0.06%
DOMINICA	504	250	250	1,004	0.06%
DOMINICAN REPUBLIC	2,092	250	250	2,592	0.16%
ECUADOR	2,771	250	250	3,271	0.20%
EGYPT, ARAB REPUBLIC OF	7,108	250	250	7,608	0.46%
EL SALVADOR	141	250	250	641	0.04%
EQUATORIAL GUINEA	715	250	250	1,215	0.07%
ERITREA	593	250	250	1,093	0.07%
ESTONIA	923	250	250	1,423	0.09%
ETHIOPIA	978	250	250	1,478	0.09%
FIJI	987	250	250	1,487	0.09%
GABON	987	250	250	1,487	0.09%
GAMBIA, THE	543	250	250	1,043	0.06%
GEORGIA	1,584	250	250	2,084	0.13%
GHANA	1,525	250	250	2,025	0.12%
GRENADA	531	250	250	1,031	0.06%
GUATEMALA	2,001	250	250	2,501	0.15%
GUINEA	1,292	250	250	1,792	0.11%
GUINEA-BISSAU	540	250	250	1,040	0.06%
GUYANA	1,058	250	250	1,558	0.09%
HAITI	1,067	250	250	1,567	0.09%
HONDURAS	641	250	250	1,141	0.07%
HUNGARY	8,050	250	250	8,550	0.51%
INDIA	44,795	250	250	45,295	2.72%
INDONESIA	14,981	250	250	15,481	0.93%
IRAN, ISLAMIC REPUBLIC OF	23,686	250	250	24,186	1.45%
IRAQ	2,808	250	250	3,308	0.20%
JAMAICA	2,578	250	250	3,078	0.18%
JORDAN	1,388	250	250	1,888	0.11%
KAZAKHSTAN	2,985	250	250	3,485	0.21%
KENYA	2,461	250	250	2,961	0.18%
KIRIBATI	465	250	250	965	0.06%
KYRGYZ REPUBLIC	1,107	250	250	1,607	0.10%
LAO PEOPLE'S DEM. REP.	178	250	250	678	0.04%
LATVIA	1,384	250	250	1,884	0.11%
LEBANON	340	250	250	840	0.05%
LESOTHO	663	250	250	1,163	0.07%
LIBERIA	463	250	250	963	0.06%
LIBYA	7,840	250	250	8,340	0.50%
LITHUANIA	1,507	250	250	2,007	0.12%
MACEDONIA, FYR OF	427	250	250	927	0.06%
MADAGASCAR	1,422	250	250	1,922	0.12%
MALAWI	1,094	250	250	1,594	0.10%
MALAYSIA	8,244	250	250	8,744	0.53%
MALDIVES	469	250	250	969	0.06%
MALI	1,162	250	250	1,662	0.10%
MALTA	1,074	250	250	1,574	0.09%
MARSHALL ISLANDS	469	250	250	969	0.06%
MAURITANIA	900	250	250	1,400	0.08%
MAURITIUS	1,242	250	250	1,742	0.10%
MEXICO	18,804	250	250	19,304	1.16%
MICRONESIA, FED. STATES OF	479	250	250	979	0.06%
MOLDOVA	1,368	250	250	1,868	0.11%
MONGOLIA	466	250	250	966	0.06%

<u>Member*</u>	<u>No. of Shares</u>	<u>Basic Votes</u>	<u>Add'l "Membership" Shares</u>	<u>Total Votes</u>	<u>Percent of Total Votes</u>
MOROCCO	4,973	250	250	5,473	0.33%
MOZAMBIQUE	930	250	250	1,430	0.09%
MYANMAR	2,484	250	250	2,984	0.18%
NAMIBIA	1,523	250	250	2,023	0.12%
NEPAL	968	250	250	1,468	0.09%
NICARAGUA	608	250	250	1,108	0.07%
NIGER	852	250	250	1,352	0.08%
NIGERIA	12,655	250	250	13,155	0.79%
OMAN	1,561	250	250	2,061	0.12%
PAKISTAN	9,339	250	250	9,839	0.59%
PALAU	16	250	250	516	0.03%
PANAMA	385	250	250	885	0.05%
PAPUA NEW GUINEA	1,294	250	250	1,794	0.11%
PARAGUAY	1,229	250	250	1,729	0.10%
PERU	5,331	250	250	5,831	0.35%
PHILIPPINES	6,844	250	250	7,344	0.44%
POLAND	10,908	250	250	11,408	0.69%
ROMANIA	4,011	250	250	4,511	0.27%
RUSSIAN FEDERATION	44,795	250	250	45,295	2.72%
RWANDA	1,046	250	250	1,546	0.09%
SAMOA	531	250	250	1,031	0.06%
SAO TOME AND PRINCIPE	495	250	250	995	0.06%
SAUDI ARABIA	44,795	250	250	45,295	2.72%
SENEGAL	2,072	250	250	2,572	0.15%
SERBIA AND MONTENEGRO	2,846	250	250	3,346	0.20%
SEYCHELLES	263	250	250	763	0.05%
SIERRA LEONE	718	250	250	1,218	0.07%
SLOVAK REPUBLIC	3,216	250	250	3,716	0.22%
SOLOMON ISLANDS	513	250	250	1,013	0.06%
SOMALIA	552	250	250	1,052	0.06%
SOUTH AFRICA	13,462	250	250	13,962	0.84%
SRI LANKA	3,817	250	250	4,317	0.26%
ST. KITTS AND NEVIS	275	250	250	775	0.05%
ST. LUCIA	552	250	250	1,052	0.06%
ST. VINCENT & THE GRENADINES	278	250	250	778	0.05%
SUDAN	850	250	250	1,350	0.08%
SURINAME	412	250	250	912	0.05%
SWAZILAND	440	250	250	940	0.06%
SYRIAN ARAB REPUBLIC	2,202	250	250	2,702	0.16%
TAJIKISTAN	1,060	250	250	1,560	0.09%
TANZANIA	1,295	250	250	1,795	0.11%
THAILAND	6,349	250	250	6,849	0.41%
TIMOR-LESTE	517	250	250	1,017	0.06%
TOGO	1,105	250	250	1,605	0.10%
TONGA	494	250	250	994	0.06%
TRINIDAD AND TOBAGO	2,664	250	250	3,164	0.19%
TUNISIA	719	250	250	1,219	0.07%
TURKEY	8,328	250	250	8,828	0.53%
TURKMENISTAN	526	250	250	1,026	0.06%
UGANDA	617	250	250	1,117	0.07%
UKRAINE	10,908	250	250	11,408	0.69%
URUGUAY	2,812	250	250	3,312	0.20%
UZBEKISTAN	2,493	250	250	2,993	0.18%
VANUATU	586	250	250	1,086	0.07%
VENEZUELA, REP. BOLIVARIANA DE	20,361	250	250	20,861	1.25%
VIETNAM	968	250	250	1,468	0.09%
YEMEN, REPUBLIC OF	2,212	250	250	2,712	0.16%
ZAMBIA	2,810	250	250	3,310	0.20%
ZIMBABWE	3,325	250	250	3,825	0.23%
Countries (149)	610,253	37,250	37,250	684,753	41.13%
<b>Total</b>	<b>1,572,661</b>	<b>46,000</b>	<b>46,000</b>	<b>1,664,661</b>	<b>100.00%</b>

\* Development income levels based on the World Development Indicators, April 2003.

TABLE 5

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
SHARES AND VOTING POWER OF MEMBER COUNTRIES**

(Assuming Additional 250 Basic Votes and Additional 250 "Membership" Shares)

<u>Member*</u>	Voting Power					Percent of Total Votes
	No. of Shares	Basic Votes	Add'l Basic Votes	Add'l "Membership" Shares	Total Votes	
<b><u>Developed (High Income)</u></b>						
AUSTRALIA	24,464	250	250	250	25,214	1.47%
AUSTRIA	11,063	250	250	250	11,813	0.69%
BAHAMAS, THE	1,071	250	250	250	1,821	0.11%
BAHRAIN	1,103	250	250	250	1,853	0.11%
BELGIUM	28,983	250	250	250	29,733	1.74%
BRUNEI DARUSSALAM	2,373	250	250	250	3,123	0.18%
CANADA	44,795	250	250	250	45,545	2.66%
CYPRUS	1,461	250	250	250	2,211	0.13%
DENMARK	13,451	250	250	250	14,201	0.83%
FINLAND	8,560	250	250	250	9,310	0.54%
FRANCE	69,397	250	250	250	70,147	4.10%
GERMANY	72,399	250	250	250	73,149	4.28%
GREECE	1,684	250	250	250	2,434	0.14%
ICELAND	1,258	250	250	250	2,008	0.12%
IRELAND	5,271	250	250	250	6,021	0.35%
ISRAEL	4,750	250	250	250	5,500	0.32%
ITALY	44,795	250	250	250	45,545	2.66%
JAPAN	127,000	250	250	250	127,750	7.47%
KOREA, REPUBLIC OF	15,817	250	250	250	16,567	0.97%
KUWAIT	13,280	250	250	250	14,030	0.82%
LUXEMBOURG	1,652	250	250	250	2,402	0.14%
NETHERLANDS	35,503	250	250	250	36,253	2.12%
NEW ZEALAND	7,236	250	250	250	7,986	0.47%
NORWAY	9,982	250	250	250	10,732	0.63%
PORTUGAL	5,460	250	250	250	6,210	0.36%
QATAR	1,096	250	250	250	1,846	0.11%
SAN MARINO	595	250	250	250	1,345	0.08%
SINGAPORE	320	250	250	250	1,070	0.06%
SLOVENIA	1,261	250	250	250	2,011	0.12%
SPAIN	27,997	250	250	250	28,747	1.68%
SWEDEN	14,974	250	250	250	15,724	0.92%
SWITZERLAND	26,606	250	250	250	27,356	1.60%
UNITED ARAB EMIRATES	2,385	250	250	250	3,135	0.18%
UNITED KINGDOM	69,397	250	250	250	70,147	4.10%
UNITED STATES	264,969	250	250	250	265,719	15.53%
Countries (35)	962,408	8,750	8,750	8,750	988,658	57.79%
<b><u>Developing (Low and Middle Income)</u></b>						
AFGHANISTAN	300	250	250	250	1,050	0.06%
ALBANIA	830	250	250	250	1,580	0.09%
ALGERIA	9,252	250	250	250	10,002	0.58%
ANGOLA	2,676	250	250	250	3,426	0.20%
ANTIGUA AND BARBUDA	520	250	250	250	1,270	0.07%
ARGENTINA	17,911	250	250	250	18,661	1.09%
ARMENIA	1,139	250	250	250	1,889	0.11%
AZERBAIJAN	1,646	250	250	250	2,396	0.14%
BANGLADESH	4,854	250	250	250	5,604	0.33%
BARBADOS	948	250	250	250	1,698	0.10%
BELARUS	3,323	250	250	250	4,073	0.24%
BELIZE	586	250	250	250	1,336	0.08%
BENIN	868	250	250	250	1,618	0.09%
BHUTAN	479	250	250	250	1,229	0.07%
BOLIVIA	1,785	250	250	250	2,535	0.15%
BOSNIA AND HERZEGOVINA	549	250	250	250	1,299	0.08%
BOTSWANA	615	250	250	250	1,365	0.08%
BRAZIL	33,287	250	250	250	34,037	1.99%
BULGARIA	5,215	250	250	250	5,965	0.35%
BURKINA FASO	868	250	250	250	1,618	0.09%

<b>Member*</b>	<b>No. of Shares</b>	<b>Basic Votes</b>	<b>Add'l Basic Votes</b>	<b>Add'l "Membership" Shares</b>	<b>Total Votes</b>	<b>Percent of Total Votes</b>
BURUNDI	716	250	250	250	1,466	0.09%
CAMBODIA	214	250	250	250	964	0.06%
CAMEROON	1,527	250	250	250	2,277	0.13%
CAPE VERDE	508	250	250	250	1,258	0.07%
CENTRAL AFRICAN REPUBLIC	862	250	250	250	1,612	0.09%
CHAD	862	250	250	250	1,612	0.09%
CHILE	6,931	250	250	250	7,681	0.45%
CHINA	44,799	250	250	250	45,549	2.66%
COLOMBIA	6,352	250	250	250	7,102	0.42%
COMOROS	282	250	250	250	1,032	0.06%
CONGO, DEM. REP. OF	2,643	250	250	250	3,393	0.20%
CONGO, REPUBLIC OF	927	250	250	250	1,677	0.10%
COSTA RICA	233	250	250	250	983	0.06%
COTE D'IVOIRE	2,516	250	250	250	3,266	0.19%
CROATIA	2,293	250	250	250	3,043	0.18%
CZECH REPUBLIC	6,308	250	250	250	7,058	0.41%
DJIBOUTI	559	250	250	250	1,309	0.08%
DOMINICA	504	250	250	250	1,254	0.07%
DOMINICAN REPUBLIC	2,092	250	250	250	2,842	0.17%
ECUADOR	2,771	250	250	250	3,521	0.21%
EGYPT, ARAB REPUBLIC OF	7,108	250	250	250	7,858	0.46%
EL SALVADOR	141	250	250	250	891	0.05%
EQUATORIAL GUINEA	715	250	250	250	1,465	0.09%
ERITREA	593	250	250	250	1,343	0.08%
ESTONIA	923	250	250	250	1,673	0.10%
ETHIOPIA	978	250	250	250	1,728	0.10%
FIJI	987	250	250	250	1,737	0.10%
GABON	987	250	250	250	1,737	0.10%
GAMBIA, THE	543	250	250	250	1,293	0.08%
GEORGIA	1,584	250	250	250	2,334	0.14%
GHANA	1,525	250	250	250	2,275	0.13%
GRENADA	531	250	250	250	1,281	0.07%
GUATEMALA	2,001	250	250	250	2,751	0.16%
GUINEA	1,292	250	250	250	2,042	0.12%
GUINEA-BISSAU	540	250	250	250	1,290	0.08%
GUYANA	1,058	250	250	250	1,808	0.11%
HAITI	1,067	250	250	250	1,817	0.11%
HONDURAS	641	250	250	250	1,391	0.08%
HUNGARY	8,050	250	250	250	8,800	0.51%
INDIA	44,795	250	250	250	45,545	2.66%
INDONESIA	14,981	250	250	250	15,731	0.92%
IRAN, ISLAMIC REPUBLIC OF	23,686	250	250	250	24,436	1.43%
IRAQ	2,808	250	250	250	3,558	0.21%
JAMAICA	2,578	250	250	250	3,328	0.19%
JORDAN	1,388	250	250	250	2,138	0.12%
KAZAKHSTAN	2,985	250	250	250	3,735	0.22%
KENYA	2,461	250	250	250	3,211	0.19%
KIRIBATI	465	250	250	250	1,215	0.07%
KYRGYZ REPUBLIC	1,107	250	250	250	1,857	0.11%
LAO PEOPLE'S DEM. REP.	178	250	250	250	928	0.05%
LATVIA	1,384	250	250	250	2,134	0.12%
LEBANON	340	250	250	250	1,090	0.06%
LESOTHO	663	250	250	250	1,413	0.08%
LIBERIA	463	250	250	250	1,213	0.07%
LIBYA	7,840	250	250	250	8,590	0.50%
LITHUANIA	1,507	250	250	250	2,257	0.13%
MACEDONIA, FYR OF	427	250	250	250	1,177	0.07%
MADAGASCAR	1,422	250	250	250	2,172	0.13%
MALAWI	1,094	250	250	250	1,844	0.11%
MALAYSIA	8,244	250	250	250	8,994	0.53%
MALDIVES	469	250	250	250	1,219	0.07%
MALI	1,162	250	250	250	1,912	0.11%
MALTA	1,074	250	250	250	1,824	0.11%
MARSHALL ISLANDS	469	250	250	250	1,219	0.07%
MAURITANIA	900	250	250	250	1,650	0.10%
MAURITIUS	1,242	250	250	250	1,992	0.12%
MEXICO	18,804	250	250	250	19,554	1.14%
MICRONESIA, FED. STATES OF	479	250	250	250	1,229	0.07%
MOLDOVA	1,368	250	250	250	2,118	0.12%
MONGOLIA	466	250	250	250	1,216	0.07%

<b>Member*</b>	<b>No. of Shares</b>	<b>Basic Votes</b>	<b>Add'l Basic Votes</b>	<b>Add'l "Membership" Shares</b>	<b>Total Votes</b>	<b>Percent of Total Votes</b>
MOROCCO	4,973	250	250	250	5,723	0.33%
MOZAMBIQUE	930	250	250	250	1,680	0.10%
MYANMAR	2,484	250	250	250	3,234	0.19%
NAMIBIA	1,523	250	250	250	2,273	0.13%
NEPAL	968	250	250	250	1,718	0.10%
NICARAGUA	608	250	250	250	1,358	0.08%
NIGER	852	250	250	250	1,602	0.09%
NIGERIA	12,655	250	250	250	13,405	0.78%
OMAN	1,561	250	250	250	2,311	0.14%
PAKISTAN	9,339	250	250	250	10,089	0.59%
PALAU	16	250	250	250	766	0.04%
PANAMA	385	250	250	250	1,135	0.07%
PAPUA NEW GUINEA	1,294	250	250	250	2,044	0.12%
PARAGUAY	1,229	250	250	250	1,979	0.12%
PERU	5,331	250	250	250	6,081	0.36%
PHILIPPINES	6,844	250	250	250	7,594	0.44%
POLAND	10,908	250	250	250	11,658	0.68%
ROMANIA	4,011	250	250	250	4,761	0.28%
RUSSIAN FEDERATION	44,795	250	250	250	45,545	2.66%
RWANDA	1,046	250	250	250	1,796	0.10%
SAMOA	531	250	250	250	1,281	0.07%
SAO TOME AND PRINCIPE	495	250	250	250	1,245	0.07%
SAUDI ARABIA	44,795	250	250	250	45,545	2.66%
SENEGAL	2,072	250	250	250	2,822	0.16%
SERBIA AND MONTENEGRO	2,846	250	250	250	3,596	0.21%
SEYCHELLES	263	250	250	250	1,013	0.06%
SIERRA LEONE	718	250	250	250	1,468	0.09%
SLOVAK REPUBLIC	3,216	250	250	250	3,966	0.23%
SOLOMON ISLANDS	513	250	250	250	1,263	0.07%
SOMALIA	552	250	250	250	1,302	0.08%
SOUTH AFRICA	13,462	250	250	250	14,212	0.83%
SRI LANKA	3,817	250	250	250	4,567	0.27%
ST. KITTS AND NEVIS	275	250	250	250	1,025	0.06%
ST. LUCIA	552	250	250	250	1,302	0.08%
ST. VINCENT & THE GRENADINES	278	250	250	250	1,028	0.06%
SUDAN	850	250	250	250	1,600	0.09%
SURINAME	412	250	250	250	1,162	0.07%
SWAZILAND	440	250	250	250	1,190	0.07%
SYRIAN ARAB REPUBLIC	2,202	250	250	250	2,952	0.17%
TAJIKISTAN	1,060	250	250	250	1,810	0.11%
TANZANIA	1,295	250	250	250	2,045	0.12%
THAILAND	6,349	250	250	250	7,099	0.41%
TIMOR-LESTE	517	250	250	250	1,267	0.07%
TOGO	1,105	250	250	250	1,855	0.11%
TONGA	494	250	250	250	1,244	0.07%
TRINIDAD AND TOBAGO	2,664	250	250	250	3,414	0.20%
TUNISIA	719	250	250	250	1,469	0.09%
TURKEY	8,328	250	250	250	9,078	0.53%
TURKMENISTAN	526	250	250	250	1,276	0.07%
UGANDA	617	250	250	250	1,367	0.08%
UKRAINE	10,908	250	250	250	11,658	0.68%
URUGUAY	2,812	250	250	250	3,562	0.21%
UZBEKISTAN	2,493	250	250	250	3,243	0.19%
VANUATU	586	250	250	250	1,336	0.08%
VENEZUELA, REP. BOLIVARIANA DE	20,361	250	250	250	21,111	1.23%
VIETNAM	968	250	250	250	1,718	0.10%
YEMEN, REPUBLIC OF	2,212	250	250	250	2,962	0.17%
ZAMBIA	2,810	250	250	250	3,560	0.21%
ZIMBABWE	3,325	250	250	250	4,075	0.24%
<b>Countries (149)</b>	<b>610,253</b>	<b>37,250</b>	<b>37,250</b>	<b>37,250</b>	<b>722,003</b>	<b>42.21%</b>
<b>Total</b>	<b>1,572,661</b>	<b>46,000</b>	<b>46,000</b>	<b>46,000</b>	<b>1,710,661</b>	<b>100.00%</b>

\* Development income levels based on World Development Indicators, April 2003.



IMFC/Doc/10/04/4

September 28, 2004

To: Members and Associates of the International  
Monetary and Financial Committee

From: The Secretary

Subject: **Report to the International Monetary and Financial Committee on  
Quotas, Voice, and Representation**

The attached report to the International Monetary and Financial Committee on quotas, voice, and representation provides background information for the International Monetary and Financial Committee meeting scheduled for **Saturday, October 2, 2004**.

It is expected that this document will be posted on the Fund's external website following its circulation to the members of the IMFC.

Att: (1)



INTERNATIONAL MONETARY FUND

**Report of the Executive Board to the IMFC on Quotas, Voice, and Representation**

September 24, 2004

1. The IMF Executive Board has been pursuing avenues to enhance the voice and representation of developing and transition countries in the Fund's governing bodies on two different, but complementary tracks: issues related to the distribution of quotas and voting power, which are being considered as part of the work program on IMF quotas; and measures to strengthen the capacity of developing and transition countries to participate effectively in the Fund's policy- and decision-making processes. This status report provides an update on developments in these two areas in response to a request from the International Monetary and Financial Committee (IMFC).<sup>1</sup> It lays out the issues that would need to be addressed to make further significant progress, and notes that the broad consensus among the shareholders needed to achieve this does not currently exist.

2. On quotas, the resolution concluding the Twelfth General Review of Quotas in January 2003 indicated that the Executive Board intended, during the period of the Thirteenth General Review, "to monitor closely and assess the adequacy of Fund resources, to consider measures to achieve a distribution of quotas that reflects developments in the world economy, and to consider measures to strengthen the governance of the Fund." In a discussion on July 31, 2003, the Executive Board considered quota distribution issues including measures to achieve a distribution of quotas that reflects developments in the world economy.<sup>2</sup> In the meeting, Directors took stock of areas of emerging consensus for new quota formulas and considered certain issues involved in revising and updating the quota formulas. Most Directors saw considerable merit in a package approach that would include elements that would benefit the membership as a whole. Specifically, such a package would involve: a general quota increase with a relatively large selective element allocated by means of a new quota formula; ad hoc quota increases aimed at addressing the clearest cases of out-of-lineness; and an increase in basic votes specifically aimed at correcting the erosion of the voting power of the smallest members. It was noted, however, that an increase in basic votes would require an amendment of the Articles of Agreement, and that the required majority did not exist. More generally, most Directors recognized that there was no need for a quota increase at that time in view of the Fund's satisfactory liquidity position.

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<sup>1</sup> See *Communiqué of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund*, Press Release No. 04/84, 4/24/04, para. 18.

<sup>2</sup> *The Acting Chair's Summing Up, Quota Distribution—Selected Issues* (BUFF/03/155, 8/22/03) provides a comprehensive summary of the discussion.

3. As agreed at the July 2003 meeting, staff recently circulated a paper updating the data set used for illustrative quota calculations.<sup>3</sup> The paper concluded that quota formulas using the economic and financial variables and weights that have been considered broadly appropriate by the Board—including a substantial weight for GDP as the most important indicator of economic size—are likely to yield results that would imply a larger calculated than actual quota share for the advanced economies as a group, and a smaller calculated than actual quota share for the developing and transition countries. These updated calculations also reconfirm the validity of the broad conclusions reached during the 2003 discussion.

4. Executive Directors have continued to monitor the adequacy of Fund resources based on semi-annual reviews of Fund liquidity. The staff paper for the last review noted that, the Fund's one-year forward commitment capacity (FCC) amounted to SDR 62 billion as of end-July 2004.<sup>4</sup> Most Directors concluded that the Fund's liquidity position was satisfactory and that the Fund would likely be able to meet the near-term projected needs of its members. This assessment was based on the assumption of a continuing global recovery as presented in the *World Economic Outlook*, and an expectation that most member countries would be able to withstand moderate negative shocks via a drawdown of reserves and/or policy and exchange rate adjustments. Further, should the need arise, the New Arrangements to Borrow/General Arrangements to Borrow (SDR 34 billion) also remain available. However, given the importance of the Fund having adequate resources to fulfill its responsibilities and that difficulties in the world economy are hard to predict, continued close monitoring of the Fund's liquidity position will be important.

5. While voting power is the most readily identified dimension of voice and representation, it remains crucial to ensure that the offices of Executive Directors from developing and transition countries, in particular those with large constituencies, have the administrative and technical capacity to participate fully and effectively in the Fund's decision-making process. This is essential for effective and collaborative consensus-building in which policies and their implementation reflect the views of the membership as a whole. In March 2003, the staffs of the Fund and the World Bank jointly prepared a technical note on voice and participation for the Development Committee, which identified a number of possible avenues for enhancing the administrative and technical capacity of the large multi-country constituencies.<sup>5</sup> These included: extra technological support to facilitate communications with capitals; the facilitation of intra-constituency interaction; providing

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<sup>3</sup> See *Quotas—Updated Calculations* (SM/04/305, 8/30/04). Data through 2002 were used in the calculations. The previous calculations used data through 1999.

<sup>4</sup> See *The Fund's Liquidity Position—Review and Outlook*, EBS/04/134, 9/16/04.

<sup>5</sup> See *Voice and Participation of Developing and Transition Countries in Decision-Making at the World Bank and IMF—A Technical Note by Bank/Fund Staff for the Development Committee*, EB/CW/DC/03/1 Revision 1, March 26, 2003.

developing country chairs with technical and research support; adding advisors to Executive Directors' offices; and adding a second Alternate Executive Director.<sup>6</sup>

6. The Fund's Executive Board subsequently took action in a number of areas. As a first step, it was agreed in April 2003 that Executive Directors with twenty or more member countries—including the Executive Directors from sub-Saharan Africa—could add three persons to the staff in their offices. A more recent initiative underway is the use of new technology to facilitate close and effective communication between Executive Directors' offices and their authorities in capitals. While no new measures are presently being planned by the Executive Board, it will be important to sustain the efforts in this area going forward.

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<sup>6</sup> The last-mentioned step would require an amendment of the Articles of Agreement.