สิ่งที่ส่งมาด้วย 1

ATTACHMENT I

REPORT OF THE EXECUTIVE DIRECTORS OF THE BANK AND OF THE BOARD OF DIRECTORS OF THE CORPORATION TO THE BOARDS OF GOVERNORS

July 20, 2010

Enhancing Voice and Participation of Developing and Transition Countries

I. INTRODUCTION

1. The 2002 Monterrey Consensus encouraged the World Bank Group (WBG) and the International Monetary Fund "to continue to enhance participation of all developing countries and countries with economies in transition (DTC) in their decision making and thereby to strengthen the international dialogue and the work of these institutions as they address the development needs and concerns of these countries."[1]

2. The Executive Directors of the Bank and the Board of Directors of IFC have considered over the last two years the question of enhancing the voice and participation of the DTCs in the Bank and the Corporation, following several years that saw initiatives that strengthened DTC participation in WBG decision-making.[2] The first phase of voice and participation reform was agreed by the Development Committee in October 2008 and approved by the Board of Governors in January 2009. At its Fall 2009 and Spring 2010 meetings, the Development Committee discussed papers from the Executive Directors on further reforms, on the basis of which the Executive Directors of the Bank and the Board of Directors of the Corporation have prepared this report.

3. At its April 2010 meeting, the Development Committee considered the second phase of voice reforms described in "World Bank Group Voice Reform: Enhancing Voice and Participation of Developing and Transition Countries in 2010 and Beyond" (DC2010-0006/1, April 25, 2010). The Development Committee Communiqué of April 25, 2010 stated:

> *In line with our Istanbul commitments, we endorsed voice reform to increase the voting power of developing and transition countries (DTC) in IBRD by 3.13%, bringing it to 47.19%. This represents a total shift of 4.59% to DTCs since 2008. This 2010 realignment includes a selective capital increase of $27.8 billion with paid-in capital of $1.6 billion. The approach used for the 2010 shareholding realignment and its elements are the basis for the current selective capital*

[1] Quoted from *Monterrey Consensus on Financing for Development*, International Conference on Financing for Development, Monterrey, Mexico, March 18-22, 2002, paragraph 63.

[2] Development Committee Communiqué, October 2008, and *Enhancing Voice and Participation of Developing and Transition Countries in the World Bank Group: Implementation of Reforms* (R2008-244/1, December 11, 2008).

increase only. For the next shareholding review in 2015, we committed to establish a work program and a roadmap to arrive at a benchmark for a dynamic formula reflecting the principles we agreed in Istanbul, moving over time towards equitable voting power and protecting the voting power of the smallest poor countries. We reiterate the importance of an open, merit-based and transparent process for the selection of the President of the World Bank Group. We will also promote staff diversity to reflect better the global nature of the WBG.

As a first step in IFC voice reform, we endorsed an increase in basic votes and a selective capital increase of $200 million, representing a total shift of 6.07%, to bring DTC voting power to 39.48% and move towards a broad and flexible alignment with IBRD shareholding.

We urged the Boards and WBG management to expedite the necessary procedures so the appropriate resolutions to implement the voice reform and capital packages are submitted to the IBRD and IFC Boards of Governors by end-June 2010.[3]

4. This paper presents the necessary implementation decisions and actions that require approval by the Boards of Governors of the Bank and the Corporation.

II. BANK

5. **2010 Bank Shareholding Realignment.** As endorsed by the Development Committee in April 2010, the Executive Directors recommend to the Board of Governors:

(a) a selective capital increase (SCI) of $27.8 billion, corresponding to 230,374 shares[4], and allocation of shares to the participating members as set forth in the attached draft Board of Governors' Resolution (SCI Resolution) (Annex 1); and

(b) a review of the Bank's shareholding every five years, starting in 2015.

Approval of Bank capital increases requires a 75% majority of total voting power.

6. **Modalities.** The Executive Directors recommend modalities for the SCI as set forth in paragraphs 7 to 11 below.

7. **Paid-in Percentage.** The shares allocated to smallest poor members to address voting power dilution will be fully callable with no paid-in portion.[5] In line with the current average paid-in ratio of Bank's capital, all other shares allocated under this SCI require paid-in capital at

[3] Development Committee Communique, April 25, 2010, paragraphs 6, 7 and 9.

[4] As is the case of the present authorized capital, the increase would be denominated in terms of the United States Dollars of the weight and fineness in effect on July 1, 1944, and, in accordance with Executive Directors' decision of October 14, 1986, would be valued in terms of the 1974 SDR, i.e., on the basis of US$1.20635 per 1944 gold dollar.

[5] Shares allocated to smallest poor members are listed in paragraph 2, column 2 of the SCI Resolution (Annex 1).

6%.[6] Therefore, a total of $1.6 billion of the $27.8 billion SCI will be in the form of paid-in capital.

8. **Payment Arrangements.** As endorsed by the Development Committee, the draft SCI Resolution provides that each subscription to shares is conditioned upon the free and immediate use of national currency paid-in capital (NCPIC).[7] The Executive Directors recommend to the Governors that this be implemented through the following payment arrangements:

(a) Of the paid-in percentage of 6%, 0.6% is payable in United States dollars and 5.4% is payable in a member's national currency, but if the member's national currency is not freely convertible, the 5.4% portion will be payable in any freely convertible currency.[8] In order to achieve the unrestricted usability of NCPIC, the Bank will immediately convert the NCPIC portion into United States dollars for use in Bank operations.[9]

(b) The NCPIC portion will cease to be denominated in "national currency" for the purposes of the Bank's Articles upon conversion by the Bank, and the restrictions on the use of the NCPIC will no longer apply.[10]

(c) As the requirement for payment in freely convertible currency may impose a substantial burden on the foreign currency reserves of low-income countries, members that are recipients of IDA resources and are not eligible to borrow from the Bank (IDA-only members) as of July 1, 2010, may pay in their national currencies even if not freely convertible.[11]

(d) The SCI Resolution reflects these payment arrangements[12] and expressly provides that, by subscribing to such shares, members acknowledge that no further consents are required for use of this portion of their paid-in capital in the Bank's operations.

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[6] Shares allocated are listed in paragraph 2, column 1 of the SCI Resolution (Annex 1).

[7] These conditions apply only to new subscriptions under the SCI and GCI, not to existing IBRD subscriptions.

[8] A "freely convertible currency" means a currency which the Bank determines is adequately convertible by the Bank into United States Dollars.

[9] The general practice of the Bank is to warehouse funds in United States Dollars.

[10] This is similar to the effect of entering into "repurchase arrangements" with the Bank. Under these arrangements, members substitute United States Dollars for their NCPIC. In addition, maintenance of value (MoV) obligations relating to subscriptions under the contemplated SCI will be extinguished upon conversion into United States Dollars. (MoV obligations refers to provisions in the Bank's Articles of Agreement that payment by the Bank or the member is required when the par value of the member's NCPIC changes.)

[11] A total of $8.7 million is expected to be subject to this exception for these IDA-only members, assuming that the SCI is fully subscribed by such members. While these members are not required to provide freely-convertible currency, the draft SCI Resolution provides that, by subscribing, the IDA-only members are deemed to provide their irrevocable consent to the use of their currencies in Bank operations. This use is expected to be limited but would include, for example, lending, re-lending, exchange (if the currency becomes freely convertible), and/or disbursing to contractors in local currency for payments due under WBG projects inside the country. Consent for use by the Bank for administrative expenses is not required under the Articles. MoV obligations would continue to apply to subscriptions of these IDA-only members under this exception to the amounts which have not been used by the Bank.

[12] See paragraphs 3(c), (d) and (f) of the SCI Resolution (Annex 1).

9. In addition, to ensure that funds paid-in are immediately usable by the Bank in its operations, payments for subscriptions to the SCI will be made in cash.[13] By subscribing to shares, members acknowledge in the SCI Resolution that the ongoing right to substitute notes for these cash payments will not apply to these subscriptions.[14]

10. **Subscription.** Members will have four years from the date of adoption of the SCI Resolution to subscribe to shares allocated to them. Extension for individual countries will be considered for a period of up to 24 months beyond the initial four years. Each request for extension will need to be accompanied by a specific schedule of the steps the member will take to subscribe to the shares. Any extension beyond the first 12 months will require approval by the Executive Directors. The Executive Directors expect Management to report periodically on the status of subscriptions and extensions. While early subscription is encouraged, members will be able to customize their subscription schedule within the four-year subscription period. Voting power of individual members will change at the intervals at which shares are subscribed. Members are urged to make necessary arrangements to subscribe as soon as possible.

11. **Pre-emptive Rights.** An SCI depends on the agreement of members to refrain from the exercise of their rights to subscribe to sufficient shares in the capital increase to maintain their percentage share of total capital of the Bank (pre-emptive rights).[15] Recent SCIs have been conditioned on the waiver of pre-emptive rights by all shareholders, so that if any member decided to exercise its pre-emptive rights, the Board of Governors' Resolution would not become effective. Accordingly, **the effectiveness of the SCI Resolution is conditioned on waiver of pre-emptive rights by all members**. If a member wishes to exercise its pre-emptive rights, it must do so within 21 days of the date of the transmission of this Report and SCI Resolution to the Governors for voting. If a member does not wish to exercise its pre-emptive rights, no action is required.

12. **Regular Bank Shareholding Review.** Bank shareholding will be reviewed every five years starting in 2015. While it is envisioned that such reviews will take place regularly, shareholding realignment will not necessarily be required with each review, but only when shareholders, through the Board of Governors, decide that the results warrant adjustment. This feature is introduced through the SCI Resolution. The approach and elements for the 2010 shareholding realignment are the basis for this SCI only, to achieve the agreed increase of 3.13% in DTC voting power. For the first five-year review, the Development Committee Communiqué stated that:

> *For the next shareholding review in 2015, we committed to establish a work program and a roadmap to arrive at a benchmark for a dynamic formula reflecting the principles we agreed in Istanbul, moving over time towards*

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[13] In lieu of cash, the Bank may accept notes from members with legislative constraints requiring payment for such subscriptions to be made by note. Any notes must be non-interest-bearing demand notes issued by the member or its depository. In order to ensure immediate usability, such notes will be promptly encashed by the Bank. In the event of failure to pay on the notes, the voting rights attached to such shares would be subject to suspension within seven days.

[14] The ongoing right to substitute notes applies only to subscriptions in the member's national currency. Through conversion, the right to substitute notes for cash falls away. Even if the national currency is provided by IDA-only countries, it cannot be substituted for notes, as the Articles expressly recognize that there is no right to substitute notes if the paid-in portion is needed by the Bank in its operations.

[15] Article II, Section 3(c) of IBRD's Articles of Agreement.

equitable voting power and protecting the voting power of the smallest poor countries.

13. **Board Composition.** In line with the first phase of voice reforms already approved by the Board of Governors in January 2009, the countries in the two current Sub-Saharan Africa constituencies will be represented by three Executive Directors to be elected at the 2010 Regular Election this Fall. Moreover, member subscriptions to the shares proposed in the SCI Resolution will eventually result in one member (China) becoming the third largest shareholder and two members (France and the United Kingdom) becoming the fifth largest shareholders, each having equal number of shares. Under the Articles, the five largest shareholders have a right to appoint Executive Directors. Given these circumstances, the Executive Directors approved (at the close of business on July 6, 2010) an interpretation of the Articles to permit both France and the United Kingdom to each appoint an Executive Director while they hold equal number of shares and are the fifth largest shareholders in the Bank until the first regular election of Executive Directors after 2015.

14. **Voting.** The terminal date for Governors to vote on the SCI Resolution is by close of business on September 10, 2010, unless extended by the Executive Directors of the Bank. The Executive Directors encourage the Governors to vote as expeditiously as possible.

15. **Recommendation.** In consideration of the above, the Executive Directors of the Bank recommend that the Governors of the Bank adopt the attached SCI Resolution (Annex 1).

III. IFC

16. Historically, IFC's main shareholding principle has been to reflect each new member's relative weight in IBRD shareholding. However, over the years, a differentiation has developed in the relative size of IFC and IBRD share allocations among members, so that the DTC voting power today in IFC is at 33.4%, compared to post-Phase 1 DTC voting power in IBRD at 44.1%. IFC voice reform provides an opportunity for shareholders to balance voting power adjustments in IBRD and IFC, while achieving voting power adjustments and reinforcing IFC's financial capacity.

17. **Realignment Principles.** The underlying principle for IFC Voice Reform is a broad and flexible alignment between IFC and IBRD shareholdings, that takes into account different levels of shareholder interest in and support for the different institutions. In that light, the IFC Voice Reform will be implemented through an increase in Basic Votes in parallel with a selective capital increase (SCI) open for subscription to those members interested in increasing their shareholding and support for IFC.

18. **Increase in Basic Votes and Amendment to the Articles of Agreement.** As at the Bank, the voting power of each IFC member is the sum of its Basic Votes, fixed at 250 votes per member in the Corporation's Articles, and its share votes, with one vote for each share of IFC stock held[16].

19. At present, Basic Votes represent 1.88% of total IFC voting power, compared to 12.28% at the time of the Corporation's founding in 1956. An increase in Basic Votes would strengthen

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[16] Article IV, Section 3 of IFC's Articles of Agreement.

the relative voting power of members with smaller shareholdings, many of which are classified as DTCs. The package of Voice Reforms discussed at the Development Committee meeting held on April 25, 2010, proposed increasing IFC Basic Votes to 5.55% of total votes, in line with what was done for IBRD in the Phase I Voice Reform. An amendment to the Articles that sets Basic Votes at this percentage of 5.55% would prevent future reductions in the proportion in voting power that Basic Votes represent.

20. **Calculation.** With this amendment, Basic Votes for any member will be determined by a two-step calculation. First, the aggregate number of Basic Votes for all members will be calculated to be 5.55% of total votes. Second, this aggregate number of Basic Votes will be divided by the number of members at the time of calculation, to determine the number of Basic Votes allocated to each member.[17] To avoid the complication of fractional Basic Votes, the number of Basic Votes allocated to each member will be rounded upward or downward to a whole number, using the basic rounding convention.

21. **Changes in Basic Votes.** The percentage of total voting power that is represented by aggregate Basic Votes would be fixed at 5.55% and would not change when the number of subscribed shares of the Corporation's capital stock are increased or decreased, or when the number of the Corporation members increases or decreases. Increases or decreases in the number of shares held by members will change the aggregate number of Share Votes, and thus the aggregate number of Basic Votes as well as the Basic Votes allocated to each member. Similarly, the addition or departure of members will change the number of Basic Votes per member, even if there were no change in the aggregate number of Basic Votes. The level of Basic Votes shall be increased to 5.55% of total votes through an amendment to Article IV, Section 3(a) of the Corporation's Articles of Agreement, as set out below:

<u>Proposed New Text of Article IV, Section 3</u>

Section 3. Voting

~~(a) Each member shall have two hundred fifty votes plus one additional vote for each share of stock held.~~

(a) The voting power of each member shall be equal to the sum of its basic votes and share votes.

(i) The basic votes of each member shall be the number of votes that results from the equal distribution among all members of 5.55 percent of the aggregate sum of the voting power of all members, provided that there shall be no fractional basic votes.

(ii) The share votes of each member shall be the number of votes that results from the allocation of one vote for each share of stock held.

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[17] For this calculation, Total Share Votes will be the total number of shares of the Corporation's capital subscribed by all members. Total Basic Votes will be 5.55% of Total Votes; therefore, Total Share Votes will be 94.45% of Total Votes. The associated equations are as follows:

(a) Total Votes= Total Share Votes divided by 0.9445.
(b) Total Basic Votes= Total Votes minus Total Share Votes.
(c) Each member's basic Votes= Total Basic Votes divided by the number of members (currently 182), rounded to zero decimal places using the basic rounding convention.

22. The proposed amendment would require acceptance by vote of three-fifths of the Governors exercising eighty-five percent of the total voting power. The amendment would enter into force three months after the Corporation certifies that the required majority has been reached.[18]

23. **Increase in IFC's Authorized Capital Stock and Issuance of Shares.** The package of Voice Reforms endorsed by the Development Committee contemplated issuance and subscription of $200 million shares, comprising $70 million existing but unallocated shares and $130 million newly created shares. At present, IFC has an authorized capital stock of $2,450 million divided into 2,450,000 shares of $1,000 each. Of this capital stock, 2,369,396 shares are allocated, subscribed and fully paid-in, and the remaining 80,604 shares are currently unallocated. Management has recommended retention of 10,604 of those unallocated shares available for possible issuance to new IFC members to meet membership requirements. Thus, 70,000 currently unallocated shares could be issued pursuant to a selective capital increase. Additional capital subscriptions for an amount of $130 million would require issuance of 130,000 new shares and an increase in the authorized capital stock of the Corporation by $130 million.

24. **Allocation of Shares and Waiver of Pre-emptive Rights of Subscription by Members.** The allocation of shares to participating members is based on the principles of allocation endorsed by the Development Committee and the non-binding expressions of interest received by IFC Management no later than April 20, 2010. The Board of Governors' Resolution attached to this Report as Annex 2 shows the number of shares that would be allocated and offered for subscription to each participating member, and, in the event that some members do not subscribe, authorizes the further allocation of the remaining unsubscribed shares, first to Saudi Arabia (up to 2,372 additional shares) and Kuwait (up to 400 additional shares), to correct an error in the calculation of their non-binding expressions of interest as of April 20, 2010 as a result of which they should be allocated additional shares; and the balance of remaining unsubscribed shares, pro rata among all participating members. Members who are not interested in subscribing to all or part of the shares allocated to them are encouraged to notify the Corporation as soon as possible; preferably no later than six months following the date of effectiveness of the increase in the authorized capital stock of the Corporation.

25. The effectiveness of the proposed allocation of shares is based on the expectation that all members will agree to waive their pre-emptive rights of subscription under the Articles of Agreement.[19]

26. **Terms of Subscription and Payment.** All shares would be issued at par and fully paid in cash in United States Dollars or other freely convertible currencies. In lieu of cash, the Corporation will also accept United States Dollars denominated notes payable on demand and issued by a member or its designated depository. Although participating members are encouraged by Management to subscribe and pay promptly, the terms of subscription and payment set out in the draft Board of Governors' Resolution provide wide flexibility to participating members.

27. **IFC Shareholding Review.** The IFC Voice Reform contemplates a periodic shareholding review for IFC every five years, starting in 2015.

[18] Article VII of IFC's Articles of Agreement.

[19] Article II, Section 2(d) of IFC's Articles of Agreement.

28. **Recommendation.** In consideration of the above, the Board of Directors of the Corporation recommends that the Governors of the Corporation adopt the attached Resolution (Annex 2).

Annex 1

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[DRAFT]

Resolution No. ___

2010 Selective Increase in Authorized Capital Stock to Enhance Voice and Participation of Developing and Transition Countries

WHEREAS at its April 2010 meeting, the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries endorsed proposals for the second phase of reforms to enhance the voice and participation of developing and transition countries in the World Bank Group;

WHEREAS in their Report approved on July 20, 2010, the Executive Directors recommend that the Board of Governors approves:

(a) an increase in the authorized capital stock of the Bank and allocation of shares to members as set forth in Part (A) of this Resolution; and

(b) a review of the Bank's shareholding every five years, starting in 2015, as set forth in Part (B) of this Resolution; and

WHEREAS in order to achieve the purpose of the special increases in subscription of members, the Executive Directors have noted that it is necessary for all members to waive their rights under Article II, Section 3(c) of the Articles of Agreement of the Bank (hereinafter referred to as the "Articles") to subscribe to a proportionate share of the increase in authorized capital stock under this Resolution;

NOW THEREFORE the Board of Governors hereby resolves as follows:

(A) Increase in Authorized Capital Stock and Allocation of Shares

1. The authorized capital stock of the Bank is increased by 230,374 shares of capital stock, each having a par value of $100,000 in terms of United States dollars of the weight and fineness in effect on July 1, 1944, as interpreted by the Executive Directors;

2. Each member of the Bank is authorized to subscribe up to the total number of shares set forth opposite its name in the table below, subject to the conditions set forth in paragraph 3 below:

Member	NUMBER OF SHARES ALLOCATED		Member	NUMBER OF SHARES ALLOCATED	
	6% PAID-IN; 94% CALLABLE Column (1)	FULLY CALLABLE Column (2)		6% PAID-IN; 94% CALLABLE Column (1)	FULLY CALLABLE Column (2)
AFGHANISTAN	99	-	COSTA RICA	653	-
ALBANIA	-	107	COTE D'IVOIRE	-	250
ANGOLA	-	250	DENMARK	593	-
ARGENTINA	2,643	-	DJIBOUTI	-	73
ARMENIA	-	160	ECUADOR	-	250
AUSTRALIA	467	-	EGYPT, ARAB REPUBLIC OF	1,322	-
AUSTRIA	467	-	EL SALVADOR	568	-
AZERBAIJAN	-	225	ERITREA	-	77
BANGLADESH	-	250	ETHIOPIA	182	-
BELGIUM	541	-	FINLAND	467	-
BELIZE	-	84	FRANCE	1,945	-
BENIN	-	126	GAMBIA, THE	-	70
BHUTAN	-	58	GEORGIA	-	211
BOLIVIA	-	239	GERMANY	3,812	-
BOSNIA AND HERZEGOVINA	104	-	GHANA	-	213
BRAZIL	8,314	-	GREECE	4,142	-
BURKINA FASO	-	126	GUATEMALA	-	250
BURUNDI	-	107	GUINEA	-	179
CAMBODIA	175	-	GUINEA-BISSAU	-	73
CAMEROON	-	211	GUYANA	-	146
CANADA	1,255	-	HAITI	-	156
CAPE VERDE	-	67	HONDURAS	-	86
CENTRAL AFRICAN REPUBLIC	-	113	HUNGARY	467	-
CHAD	-	113	ICELAND	117	-
CHILE	971	-	INDIA	9,348	-
CHINA	38,283	-	INDONESIA	3,009	-
COLOMBIA	1,326	-	IRAN, ISLAMIC REPUBLIC OF	3,474	-
COMOROS	-	45	IRAQ	-	250
CONGO, DEM. REP. OF	-	250	IRELAND	874	-
CONGO, REPUBLIC OF	-	124	ITALY	5,215	-

Member	NUMBER OF SHARES ALLOCATED	
	6% PAID-IN; 94% CALLABLE Column (1)	FULLY CALLABLE Column (2)
JAPAN	3,559	-
JORDAN	-	197
KAZAKHSTAN	624	-
KENYA	-	250
KIRIBATI	-	72
KOREA, REPUBLIC OF	13,586	-
KOSOVO	-	143
KUWAIT	1,919	-
KYRGYZ REPUBLIC	-	154
LAO PEOPLE'S DEM. REP.	37	-
LEBANON	498	-
LESOTHO	-	83
LIBERIA	-	74
LUXEMBOURG	154	-
MADAGASCAR	-	201
MALAWI	-	148
MALDIVES	-	68
MALI	-	156
MARSHALL ISLANDS	-	68
MAURITANIA	-	132
MEXICO	12,562	-
MICRONESIA, FED. STATES OF	-	58
MOLDOVA	-	198
MONGOLIA	-	71
MOROCCO	-	250
MOZAMBIQUE	-	121
MYANMAR	-	250
NEPAL	-	141
NETHERLANDS	663	-
NEW ZEALAND	467	-
NICARAGUA	-	81
NIGER	-	123
NORWAY	607	-
PANAMA	318	-
PAPUA NEW GUINEA	-	177
PARAGUAY	-	165
PERU	738	-
PHILIPPINES	971	-
POLAND	2,540	-
PORTUGAL	467	-

Member	NUMBER OF SHARES ALLOCATED	
	6% PAID-IN; 94% CALLABLE Column (1)	FULLY CALLABLE Column (2)
ROMANIA	1,407	-
RUSSIAN FEDERATION	6,651	-
RWANDA	-	139
SAMOA	-	82
SAO TOME AND PRINCIPE	-	61
SAUDI ARABIA	6,651	-
SENEGAL	-	250
SIERRA LEONE	-	105
SINGAPORE	4,498	-
SLOVENIA	88	-
SOLOMON ISLANDS	-	62
SOMALIA	-	80
SOUTH AFRICA	467	-
SPAIN	6,851	-
SRI LANKA	-	250
SUDAN	720	-
SWAZILAND	-	59
SWEDEN	677	-
SWITZERLAND	746	-
SYRIAN ARAB REPUBLIC	-	250
TAJIKISTAN	-	144
TANZANIA	-	176
THAILAND	2,417	-
TIMOR-LESTE	-	77
TOGO	-	156
TONGA	-	62
TUNISIA	617	-
TURKEY	11,908	-
TURKMENISTAN	101	-
UGANDA	115	-
UNITED ARAB EMIRATES	1,831	-
UNITED KINGDOM	1,945	-
UNITED STATES	38,459	-
UZBEKISTAN	-	250
VANUATU	-	84
VIETNAM	2,325	-
YEMEN, REPUBLIC OF	-	250
ZAMBIA	-	250
ZIMBABWE	-	250
TOTAL	219,017	11,357

3. Each subscription authorized under paragraph 2 above shall be on the following terms and conditions:

(a) the subscription price per share shall be par;

(b) each member may subscribe to shares up to the total number set forth opposite its name in the table in paragraph 2 above from time to time prior to the fourth (4^{th}) anniversary of the date that this Resolution is adopted, or such later date as may be decided upon consideration of a request by a member for an extension of the subscription period containing a schedule of the steps the member will take to subscribe the shares, provided, however, that:

(i) extension of the subscription period with respect to a member to the fifth (5^{th}) anniversary of the date that this Resolution is adopted or earlier shall be decided under the authority of the President, and such an extension to a date later than the fifth (5^{th}) anniversary of the date that this Resolution is adopted shall be decided by the Executive Directors; and

(ii) in any event, the subscription period shall not be extended beyond the sixth (6^{th}) anniversary of the date that this Resolution is adopted;

(c) with respect to each subscription listed in paragraph 2, column 1 above, the subscribing member shall pay to the Bank under Article II, Section 7(i) of the Articles:

(i) gold or United States dollars equal to 0.6% (six-tenths of one percent) of the subscription price of the shares subscribed, and

(ii) an amount in its own currency or any other currency equal to 5.4% (five and four-tenths percent) of such subscription price,

provided in each case that such currency: (A) is paid in cash or, in the case of amounts under sub-paragraph (c)(ii) above, in accordance with paragraph (d) below; and (B) is freely convertible for use in the Bank's operations, except that any member that is eligible to borrow only from the International Development Association (hereinafter referred to as the "Association") and not from the Bank as of July 1, 2010 shall be exempt from the requirement in clause (B) if that member's currency is not freely convertible;

(d) payment of amounts under paragraph 3(c)(ii) above may be made by way of deposit of non-interest-bearing demand notes in a form acceptable to the Bank which the Bank will promptly encash, provided that, if the note is denominated in a currency other than United States dollars and if the amount of the notes falls short of the amount due in United States dollars on the date of encashment, the member will make a supplemental payment to the Bank within a period of seven days of presentation of the note for encashment to ensure that the Bank receives the full purchase price of the shares subscribed;

(e) with respect to each subscription listed in paragraph 2, columns 1 and 2 above, the Bank shall call the 2% and 18% portions of the subscriptions payable under Article II, Section 7(i) of the Articles which are not required to be paid under paragraph 3(c) above only when required to meet obligations of the Bank for funds borrowed or on loans guaranteed by it and not for use by the Bank in its lending activities or for administrative expenses;

(f) before each subscription shall be accepted by the Bank, the member shall have:

(i) taken all action necessary to authorize such subscription and shall furnish to the Bank such information thereon as the Bank may request;

(ii) made the payments provided for in paragraph 3(c) and (d) above; and

(iii) taken all action necessary to ensure the unrestricted and immediate usability by the Bank in its operations of the portion of the subscription price of shares paid in the member's currency under Article II, Section 7(i) of the Articles; and

(iv) for the shares allocated under paragraph 2 above on the basis of the member's commitment to provide agreed contributions to the Sixteenth Replenishment of the resources of the Association, the member shall have first deposited with the Association its instrument of commitment under the Sixteenth Replenishment in the amount agreed between the member and the Bank; and

(g) by subscribing to such shares, the member shall be deemed to have:

(i) provided its irrevocable consent to the unrestricted and immediate use of its paid-in capital notwithstanding the member's rights of approval under Article IV, Sections 2(a) and (b) of the Articles, its right under Article V, Section 12 of the Articles to substitute notes or similar obligations, or any other rights or restrictions; and

(ii) acknowledged that the paid-in portion of its subscription is needed in the Bank's operations and that notes or similar obligations may not be substituted in place of any member's currency.

4. In the absence of notice to the Bank from any member within twenty one (21) days of the date of transmission of this Resolution to the Governors for voting that it intends to exercise its rights under Article II, Section 3(c) of the Articles to subscribe to its proportionate share of the increase in the authorized capital stock provided under this Resolution, such member will be deemed to have waived such a right.

5. All rights, including voting rights, acquired in respect of shares for which payment is made by note pursuant to paragraph 3(d) above shall be suspended:

(a) if payment is not made within a period of seven days of its presentation for encashment; and

(b) if, for any note that is denominated in a currency other than United States dollars, encashment yields a shortfall in the purchase price of the shares and the supplemental payment is not made within a period of seven days of the relevant payment date, in each case only with regard to shares for which payment has not been received and until full payment in cash is received by the Bank.

6. After the end of the subscription period set forth in paragraph 3(b) above:

(a) the subscription for any shares in respect of which rights have been suspended pursuant to paragraph 5 above shall become void; and

(b) the allocated capital stock of the Bank that has not been subscribed, including any shares in respect of which the subscription has become void pursuant to paragraph 6(a) above, shall become part of the Bank's unallocated capital stock.

(B) Regular Shareholding Review

The Bank's shareholding shall be reviewed every five years, starting in 2015.

Parts (A) and (B) of this Resolution shall not become effective unless all members have waived their rights under Article II, Section 3(c) of the Articles to subscribe their proportionate share of the increase in the authorized capital stock of the Bank provided under this Resolution.

Annex 2

INTERNATIONAL FINANCE CORPORATION

[DRAFT]

Resolution No. ___

Amendment to the Articles of Agreement and 2010 Selective Capital Increase

WHEREAS at its April 2010 meeting, the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries endorsed proposals for the second phase of reforms to enhance the voice and participation of developing countries and countries in transition in the World Bank Group.

WHEREAS in their Report approved on July 20, 2010, the Board of Directors recommends that the Board of Governors approves:

(a) an increase in Basic Votes which requires an amendment of the Articles of Agreement of the Corporation as set forth in Part (A) of this Resolution;

(b) an increase in the authorized capital stock of the Corporation as set forth in Part (B) of this Resolution;

(c) an allocation of shares to members as set forth in Part (C) of this Resolution; and

(d) a periodic review of the Corporation's shareholding as set forth in Part (D) of this Resolution.

NOW THEREFORE, the Board of Governors, noting the recommendations and the said Report of the Board of Directors, hereby resolves as set forth below.

(A) Increase in Basic Votes and Amendment of the Articles of Agreement of the Corporation

The Board of Governors hereby resolves that:

1. Article IV, Section 3(a) of the Articles of Agreement of the Corporation shall be amended to read as follows:

Section 3. Voting

"(a) The voting power of each member shall be equal to the sum of its basic votes and share votes.

(i) The basic votes of each member shall be the number of votes that results from the equal distribution among all members of 5.55 percent of the aggregate sum of the voting power of all the members, provided that there shall be no fractional basic votes.

(ii) The share votes of each member shall be the number of votes that results from the allocation of one vote for each share of stock held."

2. The amendment above shall enter into force for all members as of the date three months after the Corporation certifies, by formal communication addressed to all members, that three-fifths of the Governors exercising eighty-five percent of the total voting power, have accepted the amendment.

(B) Increase in the Authorized Capital Stock of the Corporation

The Board of Governors hereby resolves that:

1. The authorized capital stock of the Corporation is hereby increased by $130 million in terms of United States dollars, by the creation of 130,000 additional shares having a par value of one thousand United States dollars (US$1,000) each.

2. In the absence of notice received by the Corporation from any member within 21 days of the date of the transmission of this Resolution to the Governors for voting, that it intends to exercise its right under Article II, Section 2(d) of the Articles of Agreement, to subscribe its proportionate share of the increase in the authorized capital stock provided under paragraph 1 above, such member will be deemed to have waived such right.

3. The increase of authorized capital stock of the Corporation shall become effective when (i) the amendment in Part (A) of this Resolution shall have entered into force; (ii) Governors exercising not less than four-fifths majority of the total voting power have voted in favor of Part B of this Resolution; and (iii) if all members have waived their rights to subscribe to their proportionate share of the increase in the authorized capital stock of the Corporation under paragraph 2 above.

(C) Allocation of Shares and Terms and Conditions of Subscription and Payment

The Board of Governors hereby resolves that the Corporation is hereby authorized to accept additional subscriptions to shares of its capital stock upon the following conditions:

1. Each of the members of the Corporation listed in the Table below may subscribe up to the number of shares of stock of the Corporation set forth opposite its name.

MEMBER	NUMBER OF SHARES ALLOCATED
ALGERIA	163
ARGENTINA	4,276
BANGLADESH	595
BELARUS	105
BRAZIL	21,394
BULGARIA	67
CHILE	933
CHINA	37,093
COLOMBIA	1,047
CZECH REPUBLIC	579
EGYPT, ARAB REPUBLIC OF	1,016
GHANA	475
HUNGARY	835
INDIA	21,511
INDONESIA	3,063
JAPAN	21,360
KAZAKHSTAN	38
KOREA, REPUBLIC OF	12,149
KUWAIT	4,704
MACEDONIA, FYR OF	108
MALAYSIA	1,378
MEXICO	2,943
MOROCCO	595

MEMBER	NUMBER OF SHARES ALLOCATED
NIGERIA	6,004
PAKISTAN	1,904
PERU	1,469
PHILIPPINES	1,047
POLAND	367
ROMANIA	1,617
RUSSIAN FEDERATION	21,511
SAUDI ARABIA	18,512
SLOVAK REPUBLIC	16
SOUTH AFRICA	1,470
SRI LANKA	354
SWITZERLAND	2,483
THAILAND	836
TURKEY	1,292
UKRAINE	654
VENEZUELA, REP. BOLIVARIANA DE	2,942
ZIMBABWE	1,095
TOTAL:	**200,000**

2. Each subscription authorized pursuant to paragraph 1 above shall be on the following terms and conditions:

(a) No member may subscribe to any shares until the increase of authorized capital stock in Part (B) of this Resolution has become effective.

(b) Each subscription shall be made by the subscribing member depositing with the Corporation not later than the second anniversary of the date of effectiveness of the increase in the authorized capital stock of the Corporation (or such later date as the Board of Directors may determine), in a form acceptable to the Corporation, an Instrument of Subscription whereby the member:

(i) subscribes to the total number of shares specified in such Instrument;

(ii) commits itself to pay for such total number of shares in a manner consistent with the terms of this Resolution;

(iii) represents to the Corporation that it has taken all action necessary to authorize such subscription; and

(iv) undertakes to furnish to the Corporation such information as to the foregoing matters as the Corporation may request.

(c) Any member who is not interested in exercising its right of subscription in respect of all or part of the shares listed in paragraph 1 above is encouraged to notify the Corporation as soon as possible, preferably no later than six months following the date of effectiveness of the increase in the authorized capital stock of the Corporation, by depositing with the Corporation, in a form acceptable to the Corporation, an Instrument of Renunciation, whereby the member irrevocably and unconditionally renounces to the subscription of the shares referred to therein.

(d) The subscription price per share shall be $1,000 in terms of United States dollars or other freely convertible currency or currencies; provided that, if payment is made in such currency or currencies other than United States dollars, the Corporation shall exercise its best efforts to cause such currency or currencies to be promptly converted into United States dollars and the same shall constitute payment of, or towards, the subscription price only to the extent that the Corporation shall have received effective payment of United States dollars.

(e) Payment of the subscription price for shares subscribed shall be made, for all such shares at any time or for some such shares from time to time, prior to the third anniversary of the date of effectiveness of the increase in the authorized capital stock of the Corporation; provided that, if any member shall so request, the Board of Directors may, at any time, determine that such period shall be extended by an additional period, not in any case later than December 31, 2014, as the Board of Directors may determine at the request of such member.

(f) Payment of the subscription price shall be made either in cash or by way of on demand non-interest bearing promissory notes denominated in United States dollars and otherwise in a form acceptable to the Corporation. Those promissory notes shall be promptly presented for encashment by the Corporation.

(g) Shares of capital stock shall be issued to a subscribing member, which has deposited an Instrument of Subscription in accordance with paragraph 2(b) above, only as full cash payment is made or, as the case may be, promissory notes are delivered for such shares at any time or from time to time, and such member shall hold such shares upon such issue; provided, however, that all rights, including voting rights, acquired in respect of shares issued against a promissory note for which payment is not made within a period of two months of its presentation for encashment shall be suspended until payment is made, and such issued shares and related promissory note shall be canceled if payment in respect thereof is not made on or before the date on which unpaid subscriptions become void pursuant to paragraph (j) below.

(h) Any shares of capital stock referred to in an Instrument of Renunciation or remaining unsubscribed after the date prescribed under paragraph 2(b) above, shall be allocated from time to time, upon availability of those shares, to Saudi Arabia and Kuwait in the following proportions: Saudi Arabia (85.57%) and Kuwait (14.43%); provided, however, that the maximum number of such shares shall not exceed 2,372 shares for Saudi Arabia and 400 shares for Kuwait. Any other remaining shares shall be allocated to the members listed in paragraph 1 above (including Saudi Arabia and Kuwait), other than those members who have not deposited an Instrument of Subscription in accordance with paragraph 2 (b) above, for subscription pro rata to the number of shares initially offered to them for subscription in paragraph 1 above (with the number of shares set forth opposite Saudi Arabia and Kuwait being adjusted for the sole purpose of this calculation to 20,884 and 5,104, respectively).

(i) Subscription of the shares referred in paragraph (h) above shall be made promptly upon allocation of those shares, but no later than six months following the date prescribed under paragraph 2(b) above, by depositing with the Corporation an Instrument of Subscription in a form acceptable to the Corporation and substantially identical to the Instrument of Subscription referred to in paragraph 2(b) above. Payment of those shares shall be made pursuant to the terms and conditions set forth in paragraphs (d), (e), (f) and (g) above.

(j) To the extent that any shares of capital stock, which have been subscribed pursuant to this Resolution, shall not have been effectively paid for in full in United States dollars on or before the last date prescribed for payment for such shares in accordance with this Resolution, the subscription of such shares shall become void.

(k) Subject to the provisions of paragraph 2(h) above, any shares of capital stock remaining unsubscribed or unpaid after the dates prescribed under this Resolution shall remain authorized and unissued, issuable by the Corporation in accordance with its Articles of Agreement.

(D) Periodic Shareholding Review

The Board of Governors hereby resolves that IFC shareholding shall be reviewed every five years, starting in 2015.

ATTACHMENT II

REPORT OF THE EXECUTIVE DIRECTORS OF THE BANK TO THE BOARD OF GOVERNORS

July 20, 2010

2010 General Capital Increase

1. **Introduction.** Over the past months, the Executive Directors have considered a general increase in IBRD's capital as part of a package of measures aimed at enhancing IBRD's financial capacity. During this period, there has been a series of formal and informal discussions to help build consensus on the general capital increase (GCI). Agreement on the size and modalities of the GCI has now been reached. This report presents the Executive Directors' recommendations on the GCI to the Board of Governors, as well as recommendations for an additional increase in shares for new members. Draft Resolutions of the Board of Governors for the GCI (GCI Resolution) and the additional increase in shares for new members (Additional Increase Resolution), respectively, are presented in Annexes 3 and 4.

2. **Size of GCI.** As endorsed by the Development Committee in April 2010, the Executive Directors recommend to the Governors a general capital increase of $58.4 billion corresponding to 484,102 shares[20] to be allocated on a pro rata basis. The pro rata allocation of shares for members is set out in the draft GCI Resolution. With this increase and the $27.8 billion Selective Capital Increase (SCI) as recommended in the Executive Directors Report entitled "Enhancing Voice and Participation of Developing and Transition Countries", the authorized capital of IBRD will be increased by $86.2 billion to reach $276.1 billion.

3. **Paid-In Percentage.** In line with the current average paid-in ratio of Bank's capital, the Executive Directors recommend to the Governors that all shares allocated under this GCI require paid-in capital at 6%. Therefore, a total of $3.5 billion of the $58.4 billion GCI will be in the form of paid-in capital.

4. **Payment Arrangements.** As endorsed by the Development Committee, the draft GCI Resolution provides that each subscription to shares is conditioned upon the free and immediate use of national currency paid-in capital (NCPIC).[21] The Executive Directors recommend to the Governors that this be implemented through the following payment arrangements:

(a) Of the paid-in percentage of 6%, 0.6% is payable in United States dollars and 5.4% is payable in a member's national currency, but if the member's national currency is not

[20] As is the case of the present authorized capital, the increase would be denominated in terms of the United States Dollars of the weight and fineness in effect on July 1, 1944, and, in accordance with Executive Directors' decision of October 14, 1986, would be valued in terms of the 1974 SDR, i.e., on the basis of US$1.20635 per 1944 gold dollar.

[21] These conditions apply only to new subscriptions under the SCI and GCI, not to existing IBRD subscriptions.

freely convertible, the 5.4% portion will be payable in any freely convertible currency.[22] In order to achieve the unrestricted usability of NCPIC, the Bank will immediately convert the NCPIC portion into United States dollars for use in Bank operations.[23]

(b) The NCPIC portion will cease to be denominated in "national currency" for the purposes of the Bank's Articles upon conversion by the Bank, and the restrictions on the use of the NCPIC will no longer apply.[24]

(c) As the requirement for payment in freely convertible currency may impose a substantial burden on the foreign currency reserves of low-income countries, members that are recipients of IDA resources and are not eligible to borrow from IBRD (IDA-only members) as of July 1, 2010, may pay in their national currencies even if not freely convertible.[25]

(d) The GCI Resolution reflects these payment arrangements[26] and expressly provides that, by subscribing to such shares, members acknowledge that no further consents are required for use of this portion of their paid-in capital in the Bank's operations.

5. In addition, to ensure that funds paid-in are immediately usable by the Bank in its operations, payments for subscriptions to the GCI will be made in cash.[27] By subscribing to shares, members acknowledge in the GCI Resolution that the ongoing right to substitute notes for these cash payments will not apply to these subscriptions.[28]

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[22] A "freely convertible currency" means a currency which the Bank determines is adequately convertible by the Bank into United States Dollars.

[23] The general practice of the Bank is to warehouse funds in United States Dollars.

[24] This is similar to the effect of entering into "repurchase arrangements" with the Bank. Under these arrangements, members substitute United States Dollars for their NCPIC. In addition, maintenance of value (MoV) obligations relating to subscriptions under the contemplated GCI will be extinguished upon conversion into United States Dollars. (MoV obligations refers to provisions in the Bank's Articles of Agreement that payment by the Bank or the member is required when the par value of the member's NCPIC changes.)

[25] A total of $159.5 million is expected to be subject to this exception for these IDA-only members, assuming that the GCI is fully-subscribed by such members. While these members are not required to provide freely-convertible currency, the draft GCI Resolution provides that, by subscribing, the IDA-only members are deemed to provide their irrevocable consent to the use of their currencies in Bank operations. This use is expected to be limited but would include, for example, lending, re-lending, exchange (if the currency becomes freely convertible), and/or disbursing to contractors in local currency for payments due under WBG projects inside the country. Consent for use by the Bank for administrative expenses is not required under the Articles. MoV obligations would continue to apply to subscriptions of these IDA-only members under this exception to the amounts which have not been used by the Bank.

[26] See paragraphs 3(c), (d) and (f) of the draft GCI Resolution (Annex 3).

[27] In lieu of cash, the Bank may accept notes from members with legislative constraints requiring payment for such subscriptions to be made by note. Any notes must be non-interest-bearing demand notes issued by the member or its depository. In order to ensure immediate usability, any such notes will be promptly encashed by the Bank, In the event of failure to pay on the notes, the voting rights attached to such shares would be subject to suspension within seven days.

[28] The ongoing right to substitute notes applies only to subscriptions in the member's national currency. Through conversion, the right to substitute notes for cash falls away. Even if the national currency is provided by IDA-only countries, it cannot be substituted for notes, as the Articles expressly recognize that there is no right to substitute notes if the paid–in portion is needed by the Bank in its operations.

6. **Subscription.** Members will have five years from the date of adoption of the GCI Resolution to subscribe to shares allocated to them. Extension for individual countries will be considered for a period of up to 24 months beyond the initial five years. Each request for extension will need to be accompanied by a specific schedule of legislative steps to be taken to subscribe to shares. Any extension beyond the first 12 months will require the approval by the Executive Directors. The Executive Directors expect Management to report periodically on the status of subscriptions and extensions. While early subscription is encouraged, members will be able to customize their own subscription schedule within the five-year subscription period. Voting power of individual members will change at the intervals at which shares are subscribed. It is important that members make arrangements to subscribe as soon as possible.

7. **Share Allocation for New Members.** The Articles of Agreement require the Bank to "reserve a sufficient portion of its capital stock for subscription" by new members. Therefore, Executive Directors also recommend that an additional increase of 11,400 shares be authorized and set aside for new members. This is considered sufficient to accommodate future membership applications and corresponds to about 0.72% of total shares.

8. **Voting.** It is important to have early effectiveness of the proposed GCI as capital constraints have already started to limit the Bank's lending. The terminal date for Governors to vote on the GCI Resolution is by close of business on September 10, 2010, unless extended by the Executive Directors of the Bank. Executive Directors encourage the Governors to vote as expeditiously as possible.

9. **Recommendation.** In consideration of the above, the Executive Directors of the Bank recommend that the Governors of the Bank adopt the attached Governors' Resolutions (Annexes 3 and 4).

Annex 3

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[DRAFT]

Resolution No. ___

2010 General Capital Increase

WHEREAS the Executive Directors, having considered the question of enlarging the resources of the Bank through an increase in its authorized capital, have concluded that such an increase would be desirable and, in their Report approved on July 20, 2010, have submitted a proposal for such an increase to the Board of Governors;

WHEREAS the Executive Directors have proposed that each member be authorized, subject to certain conditions, to subscribe shares of the newly-authorized capital in proportion to the aggregate number of shares such member has subscribed and is authorized to subscribe, including shares certain members are to be authorized to subscribe in accordance with the proposed Resolution entitled "2010 Selective Increase in Authorized Capital Stock to Enhance Voice and Participation of Developing and Transition Countries" (hereinafter referred to as the "Selective Capital Increase Resolution");

NOW THEREFORE the Board of Governors hereby resolves as follows:

1. The authorized capital stock of the Bank shall be increased by 484,102 shares of capital stock, each having a par value of $100,000 in terms of United States dollars of the weight and fineness in effect on July 1, 1944, as interpreted by the Executive Directors.

2. Each member of the Bank is authorized to subscribe up to the total number of shares set forth opposite its name in the table below, subject to the conditions set forth in paragraph 3 below:

Member	Number of Shares Allocated	Member	Number of Shares Allocated
AFGHANISTAN	107	ETHIOPIA	310
ALBANIA	250	FIJI	264
ALGERIA	2,472	FINLAND	2,412
ANGOLA	782	FRANCE	19,062
ANTIGUA AND BARBUDA	139	GABON	264
ARGENTINA	5,564	GAMBIA, THE	164
ARMENIA	347	GEORGIA	480
AUSTRALIA	6,661	GERMANY	20,363
AUSTRIA	3,081	GHANA	464
AZERBAIJAN	500	GREECE	1,557
BAHAMAS, THE	286	GRENADA	142
BAHRAIN	295	GUATEMALA	601
BANGLADESH	1,364	GUINEA	393
BARBADOS	253	GUINEA-BISSAU	164
BELARUS	888	GUYANA	322
BELGIUM	7,889	HAITI	327
BELIZE	179	HONDURAS	194
BENIN	266	HUNGARY	2,276
BHUTAN	143	ICELAND	367
BOLIVIA	541	INDIA	14,744
BOSNIA AND HERZEGOVINA	174	INDONESIA	4,856
BOTSWANA	164	IRAN, ISLAMIC REPUBLIC OF	7,373
BRAZIL	11,305	IRAQ	817
BRUNEI DARUSSALAM	634	IRELAND	1,642
BULGARIA	1,393	ISRAEL	1,269
BURKINA FASO	266	ITALY	13,362
BURUNDI	220	JAMAICA	689
CAMBODIA	104	JAPAN	34,885
CAMEROON	464	JORDAN	424
CANADA	12,304	KAZAKHSTAN	964
CAPE VERDE	154	KENYA	724
CENTRAL AFRICAN REPUBLIC	261	KIRIBATI	143
CHAD	261	KOREA, REPUBLIC OF	7,912
CHILE	2,111	KOSOVO	296
CHINA	22,476	KUWAIT	4,097
COLOMBIA	2,052	KYRGYZ REPUBLIC	337
COMOROS	87	LAO PEOPLE'S DEM. REP.	57
CONGO, DEM. REP. OF	773	LATVIA	370
CONGO, REPUBLIC OF	281	LEBANON	224
COSTA RICA	237	LESOTHO	199
COTE D'IVOIRE	739	LIBERIA	143
CROATIA	613	LIBYA	2,095
CYPRUS	390	LITHUANIA	403
CZECH REPUBLIC	1,685	LUXEMBOURG	483
DENMARK	3,752	MACEDONIA, FYR OF	114
DJIBOUTI	169	MADAGASCAR	434
DOMINICA	135	MALAWI	332
DOMINICAN REPUBLIC	559	MALAYSIA	2,203
ECUADOR	807	MALDIVES	143
EGYPT, ARAB REPUBLIC OF	2,252	MALI	352
EL SALVADOR	189	MALTA	287
EQUATORIAL GUINEA	191	MARSHALL ISLANDS	143
ERITREA	179	MAURITANIA	276
ESTONIA	247	MAURITIUS	332

Member	Number of Shares Allocated	Member	Number of Shares Allocated
MEXICO	8,459	SLOVENIA	360
MICRONESIA, FED. STATES OF	143	SOLOMON ISLANDS	154
MOLDOVA	418	SOMALIA	169
MONGOLIA	143	SOUTH AFRICA	3,760
MONTENEGRO	184	SPAIN	9,311
MOROCCO	1,396	SRI LANKA	1,087
MOZAMBIQUE	281	ST. KITTS AND NEVIS	73
MYANMAR	731	ST. LUCIA	147
NAMIBIA	407	ST. VINCENT & THE GRENADINES	74
NEPAL	296	SUDAN	419
NETHERLANDS	9,663	SURINAME	110
NEW ZEALAND	2,058	SWAZILAND	133
NICARAGUA	184	SWEDEN	4,182
NIGER	261	SWITZERLAND	7,308
NIGERIA	3,413	SYRIAN ARAB REPUBLIC	655
NORWAY	2,829	TAJIKISTAN	322
OMAN	417	TANZANIA	393
PAKISTAN	2,495	THAILAND	2,342
PALAU	4	TIMOR-LESTE	159
PANAMA	188	TOGO	337
PAPUA NEW GUINEA	393	TONGA	149
PARAGUAY	372	TRINIDAD AND TOBAGO	712
PERU	1,622	TUNISIA	357
PHILIPPINES	2,088	TURKEY	5,407
POLAND	3,612	TURKMENISTAN	168
PORTUGAL	1,584	UGANDA	196
QATAR	293	UKRAINE	2,933
ROMANIA	1,448	UNITED ARAB EMIRATES	1,126
RUSSIAN FEDERATION	14,023	UNITED KINGDOM	19,062
RWANDA	317	UNITED STATES	81,074
SAMOA	164	URUGUAY	751
SAN MARINO	159	UZBEKISTAN	733
SAO TOME AND PRINCIPE	149	VANUATU	179
SAUDI ARABIA	14,023	VENEZUELA, REP. BOLIVARIANA DE	5,531
SENEGAL	620	VIETNAM	880
SERBIA	760	YEMEN, REPUBLIC OF	658
SEYCHELLES	70	ZAMBIA	818
SIERRA LEONE	220	ZIMBABWE	955
SINGAPORE	1,287		
SLOVAK REPUBLIC	859	TOTAL	484,102

3. Each subscription authorized under paragraph 2 above shall be on the following terms and conditions:

(a) the subscription price shall be par;

(b) each member may subscribe up to the total number of shares set forth opposite its name in the table in paragraph 2 above from time to time prior to the fifth (5th) anniversary of the date that this Resolution is adopted, or such later date as may be decided upon consideration of a request by a member for an extension of the subscription period containing a schedule of the steps the member will take to subscribe the shares; provided, however, that:

(i) extension of the subscription period with respect to a member to the sixth (6^{th}) anniversary of the date that this Resolution is adopted or earlier shall be decided under the authority of the President, and such an extension to a date later than the sixth (6^{th}) anniversary of the date that this Resolution is adopted shall be decided by the Executive Directors; and

(ii) in any event, the subscription period shall not be extended beyond the seventh (7^{th}) anniversary of the date that this Resolution is adopted;

(c) the subscribing member shall pay to the Bank under Article II, Section 7(i) of the Bank's Articles of Agreement (hereinafter referred to as the "Articles"):

(i) gold or United States dollars equal to 0.6% (six-tenths of one percent) of the subscription price of the shares subscribed; and

(ii) an amount in its own currency or any other currency equal to 5.4% (five and four-tenths percent) of such subscription price,

provided in each case that such currency: (A) is paid in cash or, in the case of amounts under sub-paragraph (c)(ii) above, in accordance with paragraph (d) below; and (B) is freely convertible for use in the Bank's operations, except that any member that is eligible to borrow only from the International Development Association and not from the Bank as of July 1, 2010 shall be exempt from the requirement in clause (B) if that member's currency is not freely convertible;

(d) payment of amounts under paragraph (c)(ii) above may be made by way of deposit of non-interest-bearing demand notes in a form acceptable to the Bank which the Bank will promptly encash, provided that, if the note is denominated in a currency other than United States dollars and if the amount of the notes falls short of the amount due in United States dollars on the date of encashment, the member will make a supplemental payment to the Bank within a period of seven days of presentation of the note for encashment to ensure that the Bank receives the full purchase price of the shares subscribed;

(e) the Bank shall call the 2% and 18% portions of the subscriptions payable under Article II, Section 7(i) of the Articles which are not required to be paid under paragraph 3(c) above only when required to meet obligations of the Bank for funds borrowed or on loans guaranteed by it and not for use by the Bank in its lending activities or for administrative expenses;

(f) before each subscription shall be accepted by the Bank, the member shall have:

(i) taken all action necessary to authorize such subscription and shall furnish to the Bank such information thereon as the Bank may request;

(ii) made the payments provided for in paragraph 3(c) and (d) above; and

(iii) taken all action necessary to ensure the unrestricted and immediate usability by the Bank in its operations of the portion of the subscription price of shares paid in the member's currency under Article II, Section 7(i) of the Articles; and

(g) by subscribing to such shares, the member shall be deemed to have:

(i) provided its irrevocable consent to the unrestricted and immediate use of its paid-in capital, notwithstanding the member's rights of approval under Article IV, Sections 2(a) and (b) of the Articles, its right under Article V, Section 12 of the Articles to substitute notes or similar obligations, or any other rights or restrictions;

(ii) acknowledged that the paid-in portion of its subscription is needed in the Bank's operations and that notes or similar obligations may not be substituted in place of any member's currency; and

(h) in the event that the Selective Capital Increase Resolution is not adopted on or prior to the date that this Resolution is adopted, then no subscription shall be accepted by the Bank prior to the earlier of (i) the date that the Selective Capital Increase Resolution is adopted by the Board of Governors and (ii) the date that the Bank notifies each member that the voting period for the Selective Capital Increase Resolution, as may be extended, is closed. If the voting period for the Selective Capital Increase Resolution closes without adoption of the Selective Capital Increase Resolution by the Board of Governors, the number of shares authorized to be subscribed by each member as set forth in paragraph 2 above shall be adjusted such that the pro rata share allocation of each member after giving effect to the increase in capital stock under this Resolution shall be equal to the pro rata share allocation of the member without giving effect to the Selective Capital Increase Resolution.

4. All rights, including voting rights, acquired in respect of shares for which payment is made by note pursuant to paragraph 3(d) above shall be suspended:

(a) if payment is not made within a period of seven days of its presentation for encashment; and

(b) if, for any note that is denominated in a currency other than United States Dollars, encashment yields a shortfall in the purchase price of the shares and the supplemental payment is not made within a period of seven days of the relevant payment date,

in each case only with regard to shares for which payment has not been received and until full payment in cash is received by the Bank.

5. After the end of the subscription period set forth in paragraph 3(b) above,

(a) the subscription for any shares in respect of which rights have been suspended pursuant to paragraph 4 above shall become void; and

(b) the allocated capital stock of the Bank that has not been subscribed, including any shares in respect of which the subscription has become void pursuant to paragraph 5(a) above, shall become part of the Bank's unallocated capital stock.

Annex 4

INTERNATONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[DRAFT]

Resolution No. ___

2010 Additional Increase in Authorized Capital Stock for Subscription of New Members

WHEREAS in their Report approved on July 20, 2010, the Executive Directors have recommended that the Board of Governors increase the authorized capital stock of the Bank in order to provide for the admission of new members;

WHEREAS in order to achieve the purpose of the special increases in subscription of members, the Executive Directors have noted that it is necessary for all members to waive their rights under Article II, Section 3(c) of the Articles of Agreement of the Bank (hereinafter referred to as the "Articles") to subscribe to a proportionate share of the increase in authorized capital stock under this Resolution;

NOW THEREFORE the Board of Governors hereby resolves as follows:

1. The authorized capital stock of the Bank shall be increased by 11,400 shares of capital stock, each having a par value of $100,000 in terms of United States dollars of the weight and fineness in effect on July 1, 1944, as interpreted by the Executive Directors.

2. In the absence of notice to the Bank from any member within twenty one (21) days of the date of transmission of this Resolution to the Governors for voting, that it intends to exercise its rights under Article II, Section 3(c) of the Articles to subscribe to its proportionate share of the increase in the authorized capital stock provided under this Resolution, such member will be deemed to have waived such rights.

3. This Resolution shall not become effective unless all members have waived their rights under Article II, Section 3(c) of the Articles to subscribe their proportionate share of the increase in the authorized capital stock of the Bank provided under this Resolution.

International Bank for Reconstruction and Development
International Finance Corporation

Date: ______________________________

In reference to your letter dated July 21, 2010 concerning four draft Resolutions listed below, I wish to cast my vote as follows (please check the appropriate box for all four Resolutions):

I. Bank Resolution entitled **"2010 Selective Increase in Authorized Capital Stock to Enhance Voice and Participation of Developing and Transition Countries"**

I approve ☐ disapprove ☐ abstain from voting ☐

II. Bank Resolution entitled **" 2010 General Capital Increase"**

I approve ☐ disapprove ☐ abstain from voting ☐

III. Bank Resolution entitled **" 2010 Additional Increase in Authorized Capital Stock for Subscription of New Members"**

I approve ☐ disapprove ☐ abstain from voting ☐

IV. IFC Resolution entitled **"Amendment to the Articles of Agreement and 2010 Selective Capital Increase"**

I approve ☐ disapprove ☐ abstain from voting ☐

______________________________ ______________________________
Signature Member Country

______________________________ ______________________________
Name of Accredited Governor OR Alternate Governor Title and Department

NOTE: This form should be transmitted either by e-mail, facsimile or courier as soon as possible but must be received by the Bank and IFC not later than 6:00 p.m., Washington time on **September 10, 2010.**

If transmitted by e-mail attachment, the address is corpsecmembers@worldbank.org; if transmitted by facsimile, the number is (202)522-1642 or (202)477-6391; if transmitted by courier, the address is The World Bank Group, Room MC11-351, 1818 H Street, NW, Washington, D.C. 20433, USA.

It is important that if this form is transmitted by facsimile, it should be sent with a cover sheet addressed to the Vice President and Corporate Secretary, The World Bank Group. The cover sheet should clearly indicate the name, title, and institution address of the sender, together with facsimile and contact telephone numbers.