

IN THE THIRD SESSION OF THE SEVENTH PARLIAMENT OF THE FOURTH REPUBLIC OF
GHANA

**REPORT OF THE FINANCE COMMITTEE ON GHANA'S SUBSCRIPTION TO
ADDITIONAL 483 SHARES OF THE CAPITAL STOCK OF THE INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD) OF THE WORLD
BANK GROUP (WBG) AT A COST OF FIFTY-EIGHT MILLION, TWO HUNDRED AND
SIXTY-SIX THOUSAND, SEVEN HUNDRED AND FIVE UNITED STATES DOLLARS
(US\$58,266,705) TO INCREASE GHANA'S SHARE FROM 2,202 TO 2,685 SHARES**

1.0 INTRODUCTION

Ghana's Subscription to Additional 483 Shares of the Capital Stock of the International Bank for Reconstruction and Development (IBRD) of the World Bank Group (WBG) at a cost of Fifty-Eight Million, Two Hundred and Sixty-Six Thousand, Seven Hundred and Five United States Dollars (US\$58,266,705.00) to increase Ghana's Share from 2,202 to 2,685 Shares was presented to the House on Monday, 16th December, 2019 by the Hon. Minister responsible for Food and Agriculture, Dr. Owusu Afriyie Akoto on behalf of the Minister for Finance in accordance with the 1992 Constitution and the Standing Orders of the House.

Rt. Hon. Speaker referred the request to the Finance Committee for consideration and report.

The Committee met with a Deputy Minister for Finance, Hon. Abena Osei Asare and officials from the Ministry of Finance and considered the request.

The Committee is grateful to the Hon. Deputy Minister and the team of officials for attending upon the Committee.

2.0 DOCUMENTS REFERRED TO

The Committee referred to the following documents during its deliberations:

- The 1992 Constitution of Ghana;
- The Public Financial Management Act, 2016 (Act 921); and
- The Standing Orders of the Parliament of Ghana.

3.0 BACKGROUND

Ghana's partnership with the World Bank Group (WBG) began in 1957 when Ghana signed the World Bank's Articles of Agreement on 20th September, 1957, becoming the 64th member of the Bank Group. The WBG incorporate five closely associated entities that work collaboratively toward poverty reduction and consists of the following five (5) institutions as follows:

- **International Bank for Reconstruction and Development (IBRD)** established in 1944. It is the first of the five member institutions that compose the World Bank Group. It provides loans, guarantees, risk management products, analytical and advisory services to governments of middle- income and credit-worthy low-income countries. Ghana became a member on 20th September, 1957.
- **International Development Association (IDA)** launched on 24th September, 1960 to provide concessional financing (credits and grants) to governments of poor countries. Ghana joined three months after 29th December, 1960.
- **International Finance Corporation (IFC)** established on 20th June, 1956, with the aim of promoting economic development by encouraging the growth of productive private enterprises in member countries. It is the largest global development institution focused exclusively on the private sector in developing countries. Ghana became a member on 3rd April, 1958.
- **Multilateral Investment Guarantee Agency (MIGA)** created on 12th April, 1988 to complement public and private sources of investment insurance against non-commercial risks such as war and civil unrest, expropriation, etc. in developing countries. It promotes foreign direct investment in developing countries. Ghana joined on 29th April, 1988.

- **International Centre for Settlement of Investment Disputes (ICSID)** established on 14th October, 1966. Ghana became a member on the date of establishment. It provides international facilities for conciliation and arbitration of investment disputes. Its mandate is to address organizational matters related to ICSID's institutional framework.

The Development Committee of the Board of Governors of the World Bank Group during the Spring Meeting in April 2018 agreed to increase the authorised capital of IBRD by US\$60.10 Billion (US\$7.5 Billion paid-in capital and US\$52.6 Billion callable capital). Accordingly, the following Resolutions were passed:

- i. Resolution No.663, titled "2018 General Capital Increase" (GCI Resolution); and
- ii. Resolution No. 664, titled "2018 Selective Capital Increase" (SCI Resolution)

These resolutions were accordingly adopted by the Government on 1st October, 2018. Each Resolution increased the Bank authorised capital stock and authorized the Bank to accept additional subscriptions of shares from eligible members. The authorised capital stock was increased by 230,500 and 245,773 shares under GCI and SCI respectively with a par value of US\$120,635. The GCI is based on the increases proportionate to existing shareholders and the SCI would increase the share of some countries more than others in order to alter the relative voting power of member countries.

Ghana has been allotted 224 and 259 shares valued at US\$27,022,240 and US\$31,244,465 under the GCI and SCI respectively. However, Ghana is required to make payment for only the paid-in shares which constitute 20% (US\$4,404,448.00) and 6% (US\$1,874,667.90) of the total values of shares under GCI and SCI respectively. Thus, in total, Ghana has a subscription amount of US\$7,279,115.90 to pay to IBRD.

Both Resolutions provided that members have 5 years from the date of adoption (1st October, 2018) of the Resolutions to pay for their subscribed shares. Members are to customise their subscription or payment schedule within the 5-year subscription period. To minimize the impact of the payment of the subscription on the fiscal space, it is proposed that the US\$7,279,115.90 is spread equally over a four-year period (from 2020 to 2023). This implies that Ghana will be paying US\$1,819,778.98 per installment for the four years and the Ministry of Finance will be budgeting for the annual payments.

The WBG has three main sources of funding- Equity (subscriptions paid up by member countries through capital increases), issuance of financial instruments on the financial markets and net earnings on the Bank's assets. As of June 14, 2019, the amount of funds raised from each source are outlined in the table below:

Source	Amount (US\$ billion)
Equity	44
Financial Markets	214
Net Earnings	1.16

The proposed 2018 capital increase comes eight years after previous World Bank capital increase (US\$87 Billion) in 2010. With the exception of small selective capital increase to adjust relative shareholding, the Bank has raised its capital base four times, in 1959, 1979, 1988, and 2010. Ghana subscribed in all cases. The current increase is the fifth.

4.0 PURPOSE OF THE REQUEST

The purpose of the request is to seek approval to enable the Government of Ghana make payment for the paid up shares amounting to US\$5,404,448.00 and US\$1,874, 667.90 of the total shares under the General Capital Increase (GCI) and Selective Capital Increase (SCI) respectively in order to increase Ghana's current shares from 2,202 to 2,685.

5.0 OBSERVATIONS

The Committee made the following observations:

5.1 Need to Increase Ghana's Capital Stock in the IBRD

The Committee was informed that countries at IBRD leverage on the number of their shares for development support. Therefore increasing Ghana's capital stock, which forms part of ongoing reforms at the Bank, would allow the Bank to provide an annual average of US\$100 Billion in development support to eligible member countries. The Bank has financed Ghana's development projects and programmes with an annual average of US\$350 Million and projecting into the future Ghana can be supported with annual average of US\$650 Million should the Bank raise the said capital.

The Committee also learnt that another reform agenda currently ongoing is to enhance the Voice and Participation of Developing and Transitional Countries (DTCs). The reforms seek to increase the voting power of DTCs from 46.95% to 47.46% and reduce the share and dominant voting power of developed countries from 53.05% to 52.54%. Since voting power is leveraged on the amount of shares a member has, it has become important that all DTCs countries subscribe to the allocated shares for the objective to be met. Details of allocations of additional shares to all member countries is attached as Annex 1.

5.2 Expected Outcomes

The Committee was informed that a major outcome to be derived from subscribing to the IBRD shares is an increase in Ghana's capital stock from 2,202 to 2,685 shares (valued at US\$58,266,705.00 with US\$7,279,115.90 being the cost of the paid-in shares) thus enabling Ghana to maintain its current voting power of 0.12%. The increased subscription will also augment Ghana's strong commitment to the World Bank Group and confidence in global cooperation.

Further, the mobilized additional funds would strengthen the capital base of the Bank to better assist client countries in addressing global challenges and support drivers of long-term sustainable growth of which Ghana is part.

The Committee also observed that the increase in Ghana's shares will increase her participation in IBRD's governance. It will also consolidate Ghana's permanent position as Senior Advisor to the Executive Director of her constituency within the Bank Group.

5.3 Ghana's Subscription Amount

The Committee was informed that Ghana's subscription amount to be paid to IBRD for the increase in the shares amounts to US\$7,279,115.90. This is made up of the paid-in shares amounting to US\$5,404,448.00 under the GCI and US\$1,874,667.90 of the shares under the SCI.

The Committee was informed that in order to minimize the impact of the subscription payment on the fiscal space, the amount of US\$7,279,115.90 has been spread over a four-year period commencing 2020 and ending in 2023. Ghana would therefore be paying US\$1,819,77.98 per installment.

6.0 CONCLUSION

Considering the benefits expected to be derived from Ghana's Subscription, the Committee is of the view that the request will go a long way to bolster Ghana's membership of the World Bank Group.

The Committee therefore recommends to the House to adopt its report and to give approval for Ghana's Subscription to Additional 483 Shares of the Capital Stock of the International Bank for Reconstruction and Development (IBRD) of the World Bank Group (WBG) at a cost of Fifty-Eight Million, Two Hundred and Sixty-Six Thousand, Seven Hundred and Five United States Dollars (US\$58,266,705) to increase Ghana's Share from 2,202 Shares to 2,685 Shares in accordance with Article 181 of the Constitution, the Public Financial Management Act, 2016 (Act 921) and the Standing Orders of Parliament.

Respectfully submitted.



Mark Assibey-Yeboah
HON. MARK ASSIBEY-YEBOAH (DR)
CHAIRMAN, FINANCE COMMITTEE
20th December, 2019

Evelyn Brefo-Boateng
EVELYN BREFO-BOATENG (MS)
CLERK TO THE COMMITTEE

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
SUBSCRIPTIONS AND VOTING POWER OF MEMBER COUNTRIES

MEMBER	TOTAL SUBSCRIPTIONS		VOTING POWER	
	AMOUNT (*)	PERCENT OF TOTAL	NO. OF VOTES	PERCENT OF TOTAL
AFGHANISTAN				
ALBANIA	50.6	0.02	1,228	0.05
ALGERIA	118.7	0.05	1,909	0.08
ANGOLA	1,172.4	0.51	12,446	0.51
ANTIGUA AND BARBUDA	370.8	0.16	4,430	0.18
ARGENTINA	65.9	0.03	1,381	0.06
ARMENIA	2,638.7	1.14	27,109	1.10
AUSTRALIA	164.6	0.07	2,368	0.10
AUSTRIA	3,159.2	1.36	32,314	1.32
AZERBAIJAN	1,461.1	0.63	15,333	0.62
BAHAMAS, THE	237.1	0.10	3,093	0.13
BAHRAIN	135.7	0.06	2,079	0.08
BANGLADESH	139.8	0.06	2,120	0.09
BARBADOS	646.8	0.28	7,190	0.29
BELARUS	94.8	0.04	1,670	0.07
BELGIUM	421.1	0.18	4,933	0.20
BELIZE	3,741.3	1.61	38,135	1.55
BENIN	58.6	0.03	1,308	0.05
BHUTAN	126.0	0.05	1,982	0.08
BOLIVIA	68.0	0.03	1,402	0.06
BOSNIA AND HERZEGOVINA	255.5	0.11	3,287	0.13
BOTSWANA	82.7	0.04	1,549	0.06
BRAZIL	91.6	0.04	1,638	0.07
BRUNEI DARUSSALAM	5,350.9	2.31	54,231	2.21
BULGARIA	237.3	0.10	3,095	0.13
BURKINA FASO	660.8	0.28	7,330	0.30
BURUNDI	126.0	0.05	1,982	0.08
CABO VERDE	104.3	0.04	1,765	0.07
CAMBODIA	72.9	0.03	1,451	0.06
CAMEROON	49.3	0.02	1,215	0.05
CANADA	220.2	0.09	2,924	0.12
CENTRAL AFRICAN REPUBLIC	7,045.5	3.04	71,177	2.90
CHAD	97.5	0.04	1,697	0.07
CHILE	97.5	0.04	1,697	0.07
CHINA	1,001.3	0.43	10,735	0.44
COLOMBIA	10,659.4	4.59	107,316	4.37
COMOROS	973.0	0.42	10,452	0.43
CONGO, DEMOCRATIC REPUBLIC OF	36.9	0.02	1,091	0.04
CONGO, REPUBLIC OF	341.6	0.15	4,138	0.17
COSTA RICA	105.1	0.05	1,773	0.07
COTE D'IVOIRE	112.3	0.05	1,845	0.08
CROATIA	350.5	0.15	4,227	0.17
CYPRUS	290.6	0.13	3,528	0.15
CZECH REPUBLIC	185.1	0.08	2,573	0.10
DENMARK	799.3	0.34	8,715	0.35
DJIBOUTI	1,779.6	0.77	18,518	0.75
DOMINICA	80.1	0.03	1,523	0.06
DOMINICAN REPUBLIC	64.4	0.03	1,356	0.06
ECUADOR	265.1	0.11	3,373	0.14
EGYPT, ARAB REPUBLIC OF	382.8	0.16	4,550	0.19
EL SALVADOR	1,068.2	0.46	11,404	0.46
EQUATORIAL GUINEA	33.0	0.01	1,052	0.04
ERITREA	71.5	0.03	1,437	0.06
ESTONIA	59.3	0.03	1,315	0.05
ESWATINI	117.0	0.05	1,892	0.08
ETHIOPIA	49.9	0.02	1,221	0.05
FIJI	147.0	0.06	2,192	0.09
FINLAND	125.1	0.05	1,973	0.08
FRANCE	1,143.9	0.49	12,161	0.49
GABON	9040.4	3.90	91,126	3.71
GAMBIA, THE	98.7	0.04	1,709	0.07
GEORGIA	77.7	0.03	1,499	0.06
GERMANY	227.5	0.10	2,997	0.12
GHANA	9,657.4	4.16	97,296	3.96
GREECE	220.2	0.09	2,924	0.12
GRENADA	340.5	0.15	4,127	0.17
GUATEMALA	67.3	0.03	1,395	0.06
GUINEA	200.1	0.09	2,723	0.11
GUINEA-BISSAU	186.4	0.08	2,586	0.11
GUYANA	61.3	0.03	1,335	0.05
HAITI	152.6	0.07	2,248	0.09
HONDURAS	155.0	0.07	2,272	0.09
HUNGARY	64.1	0.03	1,363	0.06
HUNGARY	1,079.3	0.47	11,515	0.47
ICELAND	174.2	0.08	2,464	0.10
INDIA	7,297.2	3.14	73,694	3.00
INDONESIA	2,303.1	0.99	23,753	0.97
IRAN, ISLAMIC REPUBLIC OF	3,496.3	1.51	35,685	1.45
IRAQ	387.5	0.17	4,597	0.19
IRELAND	778.7	0.34	8,509	0.35
ISRAEL	601.9	0.26	6,741	0.27
ITALY	6,337.2	2.73	64,094	2.61
JAMAICA	326.7	0.14	3,989	0.16
JAPAN	19,297.7	8.32	193,699	7.88
JORDAN	200.9	0.09	2,731	0.11
KAZAKHSTAN	457.3	0.20	5,295	0.22
KENYA	343.5	0.15	4,157	0.17
KIRIBATI	68.0	0.03	1,402	0.06
KOREA, REPUBLIC OF	3,752.4	1.62	38,246	1.56

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
SUBSCRIPTIONS AND VOTING POWER OF MEMBER COUNTRIES

MEMBER	TOTAL SUBSCRIPTIONS		VOTING POWER	
	AMOUNT (*)	PERCENT OF TOTAL	NO. OF VOTES	PERCENT OF TOTAL
KOSOVO	126.2	0.05	1,984	0.08
KUWAIT	1,943.2	0.84	20,154	0.82
KYRGYZ REPUBLIC	110.7	0.05	1,829	0.07
LAO PEOPLE'S DEMOCRATIC REPUBLIC	27.2	0.01	994	0.04
LATVIA	175.4	0.08	2,476	0.10
LEBANON	106.2	0.05	1,784	0.07
LESOTHO	94.5	0.04	1,567	0.07
LIBERIA	60.6	0.03	1,328	0.05
LIBYA	993.5	0.43	10,657	0.43
LITHUANIA	191.0	0.08	2,632	0.11
LUXEMBOURG	228.9	0.10	3,011	0.12
MADAGASCAR	205.7	0.09	2,779	0.11
MALAWI	157.4	0.07	2,296	0.09
MALAYSIA	1,044.7	0.45	11,169	0.45
MALDIVES	46.9	0.02	1,191	0.05
MALI	167.0	0.07	2,392	0.10
MALTA	136.1	0.06	2,083	0.08
MARSHALL ISLANDS	46.9	0.02	1,191	0.05
MAURITANIA	130.8	0.06	2,030	0.08
MAURITIUS	157.4	0.07	2,296	0.09
MEXICO	4,011.9	1.73	40,341	1.66
MICRONESIA, FEDERATED STATES OF	47.9	0.02	1,201	0.05
MOLDOVA	198.4	0.09	2,706	0.11
MONGOLIA	68.0	0.03	1,402	0.06
MONTENEGRO	87.2	0.04	1,594	0.06
MOROCCO	702.4	0.30	7,746	0.32
MOZAMBIQUE	133.2	0.06	2,054	0.08
MYANMAR	346.5	0.15	4,187	0.17
NAMIBIA	193.0	0.08	2,652	0.11
NAURU	58.6	0.03	1,308	0.05
NEPAL	140.5	0.06	2,127	0.09
NETHERLANDS	4,582.9	1.97	46,551	1.89
NEW ZEALAND	976.1	0.42	10,483	0.43
NICARAGUA	87.3	0.04	1,595	0.06
NIGER	123.3	0.05	1,955	0.08
NIGERIA	1,618.7	0.70	16,909	0.69
NORTH MACEDONIA	54.1	0.02	1,263	0.05
NORWAY	1,341.8	0.58	14,140	0.58
OMAN	197.8	0.09	2,700	0.11
PAKISTAN	1,183.4	0.51	12,556	0.51
PALAU	1.6	0.00	738	0.03
PANAMA	89.1	0.04	1,613	0.07
PAPUA NEW GUINEA	186.4	0.08	2,586	0.11
PARAGUAY	176.6	0.08	2,488	0.10
PERU	769.1	0.33	8,413	0.34
PHILIPPINES	990.3	0.43	10,625	0.43
POLAND	1,712.9	0.74	17,851	0.73
PORTUGAL	751.1	0.32	8,233	0.34
QATAR	138.9	0.06	2,111	0.09
ROMANIA	686.6	0.30	7,588	0.31
RUSSIAN FEDERATION	6,650.5	2.87	67,227	2.74
RWANDA	150.2	0.06	2,224	0.09
SAMOA	77.7	0.03	1,499	0.06
SAN MARINO	59.5	0.03	1,317	0.05
SAO TOME AND PRINCIPE	70.5	0.03	1,427	0.06
SAUDI ARABIA	6,650.5	2.87	67,227	2.74
SENEGAL	294.2	0.13	3,664	0.15
SERBIA	360.6	0.16	4,328	0.18
SEYCHELLES	26.3	0.01	985	0.04
SIERRA LEONE	104.3	0.04	1,755	0.07
SINGAPORE	558.9	0.24	6,291	0.26
SLOVAK REPUBLIC	407.5	0.18	4,797	0.20
SLOVENIA	177.4	0.08	2,496	0.10
SOLOMON ISLANDS	72.9	0.03	1,451	0.06
SOMALIA	63.2	0.03	1,354	0.06
SOUTH AFRICA	1,783.1	0.77	18,553	0.76
SOUTH SUDAN	143.7	0.06	2,159	0.09
SPAIN	4,415.9	1.90	44,881	1.83
SRI LANKA	515.4	0.22	5,876	0.24
ST. KITTS AND NEVIS	27.5	0.01	997	0.04
ST. LUCIA	69.9	0.03	1,421	0.06
ST. VINCENT AND THE GRENADINES	35.2	0.02	1,074	0.04
SUDAN	198.9	0.09	2,711	0.11
SURINAME	41.2	0.02	1,134	0.05
SWEDEN	1,983.3	0.85	20,555	0.84
SWITZERLAND	3,466.0	1.49	35,382	1.44
SYRIAN ARAB REPUBLIC	245.2	0.11	3,174	0.13
TAJIKISTAN	120.4	0.05	1,926	0.08
TANZANIA	129.5	0.06	2,017	0.08
THAILAND	1,110.8	0.48	11,830	0.48
TIMOR-LESTE	75.3	0.03	1,475	0.06
TOGO	159.8	0.07	2,320	0.09
TONGA	70.5	0.03	1,427	0.06
TRINIDAD AND TOBAGO	337.6	0.15	4,098	0.17
TUNISIA	169.3	0.07	2,415	0.10
TURKEY	2,584.3	1.10	26,365	1.07
TURKMENISTAN	62.7	0.03	1,349	0.05
TUVALU	46.1	0.02	1,183	0.05

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
SUBSCRIPTIONS AND VOTING POWER OF MEMBER COUNTRIES

MEMBER	TOTAL SUBSCRIPTIONS		VOTING POWER	
	AMOUNT (*)	PERCENT OF TOTAL	NO. OF VOTES	PERCENT OF TOTAL
UGANDA	92.8	0.04	1,650	0.07
UKRAINE	1,391.0	0.60	14,632	0.60
UNITED ARAB EMIRATES	534.2	0.23	6,064	0.25
UNITED KINGDOM	9,040.4	3.90	91,126	3.71
UNITED STATES	38,460.2	16.57	385,224	15.68
URUGUAY	356.3	0.15	4,285	0.17
UZBEKISTAN	347.6	0.15	4,198	0.17
VANUATU	76.5	0.03	1,487	0.06
VENEZUELA, REPUBLICA BOLIVARIANA DE	2,036.1	0.88	21,083	0.86
VIETNAM	417.3	0.18	4,895	0.20
YEMEN, REPUBLIC OF	221.2	0.10	2,934	0.12
ZAMBIA	387.8	0.17	4,600	0.19
ZIMBABWE	357.5	0.15	4,297	0.17
TOTAL	232,065.9	100.00 **	2,457,117	100.00 **

* Millions of 1944 U.S. Dollars.

** May differ from the sum of individual percentages shown because of rounding.

0.00 Less than .005 percent.

139 COUNTRIES

CORPORATE SECRETARIAT

Data as of: June 14, 2019

Reporting on: June 25, 2019