

Commonwealth Heads of Government Meeting on
Reform of International Institutions

London, 9-10 June 2008

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For the Information of Delegations

The attached letter dated 9 June 2008 from the Managing Director of the International Monetary Fund (IMF), addressed both to the Prime of the United Kingdom and the Commonwealth Secretary-General, is circulated for the information of delegations.

A handwritten signature in black ink, which appears to read 'Indrajit Coomaraswamy'. The signature is fluid and cursive, with a distinct dot at the end.

Indrajit Coomaraswamy
Conference Secretary and
Director, Economic Affairs Division

Commonwealth Secretariat
Marlborough House
London SW1Y 5HX

9 June 2008



INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

DOMINIQUE STRAUSS-KAHN
MANAGING DIRECTOR

CABLE ADDRESS
INTERFUND

June 9, 2008

The Rt. Hon. Gordon Brown
Prime Minister
10 Downing Street
London, U.K.

Mr. Kamlesh Sharma
Secretary General
Commonwealth Secretariat
Marlborough House
London, U.K.

Dear Prime Minister Brown and Secretary General Sharma,

I am very pleased that select Commonwealth Heads of State are meeting in London today and tomorrow to discuss reform of international financial institutions. I regret that, due to previous commitments, I am unable to join you for the dinner. However, let me take this opportunity to convey my best wishes to you and to the Heads of State who will be participating in the meeting. It is of great value for the Fund that this important cross section of our membership is engaged with governance reforms and I look forward to hearing the outcome of what I am confident will be productive discussions.

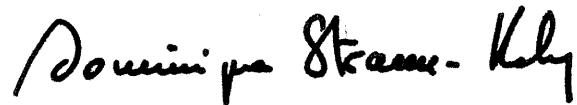
I would like to use this opportunity to update the Heads of State on governance reforms at the IMF. On April 28, our Board of Governors overwhelmingly adopted a far-reaching reform of the institution's governance. This will enhance the participation and voice of emerging market and developing countries, and realign members' shares with their relative weight and role in the global economy. This makes the Fund the first international financial institution to implement such deep governance reforms.

As a result of these changes, the Fund's quota and voting structure will be more dynamic and forward-looking. The new structure represents an important step toward a redistribution of voting shares toward dynamic emerging market and developing countries and we expect to see a continued shift over the next decade. The amendment is also aimed at protecting the interests of low-income countries. It will triple basic votes, establish in the Articles a fixed ratio of basic votes to total voting power, thereby ensuring that future quota increases do not dilute the share of basic votes in total voting power, and entitle the two largest constituencies, which currently represent African members, each to appoint a second Alternate Executive Director.

Governance reform is a continuing task. As I noted recently in the context of a recent review by our Independent Evaluation Office on the other aspects of IMF corporate governance, I hope we can develop broadly shared ideas among the membership at large that will enable us to advance further in building a stronger, more modern, and more effective Fund. I plan to announce initiatives to take the governance reform forward in the coming weeks.

I am keenly interested in hearing the views of the Commonwealth Heads of State on the governance reforms adopted by the IMF as well as their recommendations on how we can continue this process. I am looking forward to continuing this discussion in the months ahead.

Sincerely,

A handwritten signature in black ink, reading "Dominique Strauss-Kahn". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.