

INTER-AMERICAN DEVELOPMENT BANK

RESOLUTION AG-8/08

Admission of the People's Republic of China as a Member of the Inter-American Development Bank

WHEREAS:

Section 5 of the General Rules Governing Admission of Nonregional Countries to Membership in the Inter-American Development Bank (the "Bank") provides that:

"Additional nonregional countries not listed in Section 1 hereof may become members of the Bank in accordance with such terms as the Board of Governors shall establish. The subscriptions of such additional nonregional countries and their respective contributions to the Fund for Special Operations shall be such number of shares of paid-in and callable ordinary capital stock and such contributions to the Fund for Special Operations as shall be determined by the Board of Governors with due regard to the conditions of the subscriptions and contributions of the nonregional countries listed in Section 1 hereof."

The People's Republic of China ("China") and the Bank signed a Memorandum of Understanding dated 18 March 2007 (the "MOU"), setting forth the parties' understanding of certain terms and conditions relating to China's entry into the Bank;

China has further addressed to the President of the Bank a letter dated 10 June 2008 (the "letter"), representing a proposal for membership in each of the Bank, the Inter-American Investment Corporation (the "IIC"), and the Multilateral Investment Fund (the "MIF");

The MOU and the letter contemplate: (a) China's subscription to shares of ordinary capital stock of the Bank; (b) China's subscription to shares of capital stock of the IIC; and (c) certain special contributions, including contributions that may be made by China to the Fund for Special Operations of the Bank and to the MIF, funds to be administered by the Bank to support activities of the Bank and the MIF, and a further fund to support the IIC, such special contributions totaling US\$350,000,000 and payable in a single installment;

In accordance with the terms of this Resolution, China shall make a contribution of US\$125,000,000 to the Fund for Special Operations of the Bank, and shall make a further contribution of US\$225,000,000 to be allocated to: (a) a payment associated with the membership of China in the MIF, as determined by the Donors Committee of the MIF; (b) funds to be administered by the Bank to support the activities of the Bank and the MIF, as determined by the Board of Executive Directors of the Bank and the Donors Committee of the MIF, as applicable; and (c) a fund to support the IIC, as determined by the IIC;

In accordance with Section 11 of the By-Laws of the Bank and Resolution DE-104/08, the Board of Executive Directors has submitted for consideration by the Board of Governors a proposal for the admission of China to membership in the Bank;

The Board of Governors

RESOLVES:

1. That China shall become a member of the Bank when the President of the Bank shall have declared that China has fulfilled all of the following requirements:

- (a) It shall have subscribed to 184 shares of ordinary capital stock of the Bank, divided into eight paid-in shares and 176 callable shares, at the price of US\$12,063.43238 per share, on the following basis:
 - (i) The subscription to paid-in shares shall be made in one cash installment and shall be payable within 90 calendar days of the date the instrument of acceptance or ratification is deposited in accordance with Section 1(e) of this Resolution. For such subscription, the respective amount shall be established in U.S. dollar equivalent and payable in a convertible currency as defined by the Bank for the purposes of this Resolution or the national currency of China. China shall authorize the Bank to convert any amount paid in the national currency of China into the U.S. dollar.
 - (ii) The subscription to callable capital stock shall become effective on the same date as established for the subscription to the paid-in capital stock under Section 1(a)(i) hereinabove. The callable portion of the subscription shall be subject to the provisions of Article II, Section 4(a)(ii) of the Agreement Establishing the Inter-American Development Bank (the "Agreement").
- (b) It shall have undertaken to contribute to the Fund for Special Operations of the Bank the amount of US\$125,000,000, which shall be payable in one cash installment in a convertible currency as defined by the Bank for the purposes of this Resolution within 90 calendar days of the date the instrument of acceptance or ratification is deposited in accordance with Section 1(e) of this Resolution. Currencies which are derived from this

contribution shall not be subject to the maintenance of value provisions of Article V, Section 3, of the Agreement.

- (c) It shall have undertaken to make an additional contribution to the Bank in the amount of US\$75,000,000, which shall be payable in one cash installment in U.S. dollars, payable within 90 calendar days of the date the instrument of acceptance or ratification is deposited in accordance with Section 1(e) of this Resolution, to be administered by the Bank to support activities of the Bank, as determined by the Board of Executive Directors.
 - (d) China's duly authorized representative shall have signed the original copy of the Agreement deposited with the General Secretariat of the Organization of American States.
 - (e) China shall have deposited with the General Secretariat of the Organization of American States an instrument setting forth that it has accepted or ratified, in accordance with its law, the Agreement and all the terms and conditions prescribed in the General Rules Governing Admission of Nonregional Countries to Membership in the Bank and in this Resolution, and that it has taken the steps necessary to enable it to fulfill all of its obligations under the Agreement, the General Rules, and this Resolution.
 - (f) China shall have represented to the Bank that it has taken all action necessary to execute the Agreement and deposit the instrument of acceptance or ratification as contemplated by Section 1(d) and (e) of this Resolution and it shall have furnished to the Bank such information in respect of such action as the Bank may have requested.
2. That China may accept the conditions and fulfill the requirements established for membership in the Bank until February 23, 2009. However, if extraordinary circumstances are deemed by the Board of Executive Directors to so warrant, the Board may extend such term.
3. That the provisions of Section 7(b) of the General Rules Governing Admission of Nonregional Countries to Membership in the Bank shall apply to this Resolution, with the same force and effect as if fully set forth herein.

(Adopted 15 October 2008)