



**INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT**

**BOARD OF GOVERNORS**

**Resolution No. 516**

**Membership of the Republic of Palau**

WHEREAS the Government of the Republic of Palau has applied for admission to membership in the International Bank for Reconstruction and Development in accordance with Section 1(b) of Article II of the Articles of Agreement of the Bank;

WHEREAS, pursuant to Section 19 of the By-Laws of the Bank, the Executive Directors, after consultation with representatives of the Government of the Republic of Palau, have made recommendations to the Board of Governors regarding this application;

NOW, THEREFORE, the Board of Governors hereby

RESOLVES:

THAT the terms and conditions upon which the Republic of Palau shall be admitted to membership in the Bank shall be as follows:

1. *Definitions:* As used in this resolution:
  - (a) "Bank" means International Bank for Reconstruction and Development.
  - (b) "Articles of Agreement" means the Articles of Agreement of the Bank.
  - (c) "Subscription" means the capital stock of the Bank subscribed to by a member.
  - (d) "Member" means member of the Bank.
  
2. *Membership in the Fund:* Before accepting membership in the Bank, the Republic of Palau shall accept membership in and become a member of the International Monetary Fund.
  
3. *Subscription:* By accepting membership in the Bank, the Republic of Palau shall subscribe to 16 shares of the capital stock of the Bank at par on the terms and conditions set forth or referred to in paragraph 4 hereof.
  
4. *Payments on Subscription:*
  - (a) Upon accepting membership in the Bank, the Republic of Palau shall pay to the Bank under Article II, Section 7(i) of the Articles of Agreement on account of the subscription price of each of the 16 shares subscribed pursuant to paragraph 3 of this resolution:
    - (i) Gold or United States dollars equal to 0.875% of the said subscription price; and
    - (ii) An amount in its own currency which, at the appropriate prevailing exchange rate, shall be equal to 7.875% thereof.

- (b) The Bank shall call the amounts of subscription under paragraph 3 of this resolution payable under the said Article II, Section 7(i) which are not required to be paid under paragraph 4(a) 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.

5. *Acceptance of Subscription:* Before the Bank shall accept the Republic of Palau's subscription to the shares set out in paragraph 3 of this resolution, the following action shall have been taken:

- (a) The Republic of Palau shall have taken all action necessary to authorize such subscription and shall furnish to the Bank all such information thereon as the Bank may request; and
- (b) With respect to and on account of the subscription price of the said shares, the Republic of Palau shall pay to the Bank the amounts set forth in paragraph 4(a) above.

6. *Representation and Information:* Before accepting membership in the Bank, the Republic of Palau shall represent to the Bank that it has taken all action necessary to sign and deposit the instrument of acceptance and sign the Articles as contemplated by paragraph 7(d) and (e) of this resolution and the Republic of Palau shall furnish to the Bank such information in respect of such action as the Bank may request.

7. *Effective Date of Membership:* The Republic of Palau shall become a member of the Bank with a subscription as set forth in paragraph 3 of this resolution as of the date when the Republic of Palau shall have:

- (a) become a member of the International Monetary Fund;
- (b) made the payments called for by paragraph 4 of this resolution;
- (c) furnished the representation, and such information as may have been requested, pursuant to paragraph 6 of this resolution;
- (d) deposited with the Government of the United States of America an instrument stating that it has accepted in accordance with its law the Articles and all the terms and conditions prescribed in this resolution, and that it has taken all steps necessary to enable it to carry out all its obligations under the Articles and this resolution; and
- (e) signed the original Articles held in the archives of the Government of the United States of America.

8. *Limitation on Period for Fulfillment of Requirements of Membership:* The Republic of Palau may fulfill the requirements for membership in the Bank pursuant to this resolution until June 30, 1998, or such later date as the Executive Directors may determine.

*(Adopted on December 12, 1997)*