

September 24, 2015

Republic of Nauru – Application for Membership

1. By letter dated April 17, 2014, the Government of the Republic of Nauru applied for membership in the Bank (SecM2014-0193 dated April 17, 2014). The Republic of Nauru has also applied for membership in the International Monetary Fund (the Fund).
2. The Executive Board of the Fund has recommended to the Fund Board of Governors that the Republic of Nauru be admitted to membership with a quota of SDR 2.0 million. On that basis, Nauru's corresponding obligatory subscription in the Bank is 336 shares of capital stock ("Obligatory Shares"). This subscription includes shares that would have been allocated to Nauru under all earlier general capital increases. Nauru is also authorized, but not obliged, to subscribe 250 shares under the terms and conditions of the 1979 Additional Capital Increase ("Optional Shares"). Nauru will receive votes for each share of capital stock subscribed, plus basic votes as described in Article V, Section 4 (b) of the IBRD Articles of Agreement, as amended.
3. Confirmation has been received that the proposed subscriptions in paragraph 2 are acceptable to the Republic of Nauru. Accordingly, it is recommended that:
 - (a) The Executive Directors of the Bank authorize the Corporate Secretary to transmit to the Board of Governors for a vote without meeting the Report and draft Resolution attached hereto as Attachments I and II, under cover of the letter of transmittal to the Board of Governors attached as Attachment III;
 - (b) The Corporate Secretary canvass the votes cast and report thereon to the Executive Directors, who will record the results; and
 - (c) The Corporate Secretary take such further action as he deems necessary or appropriate in connection with this recommendation.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

(DRAFT)

Report of the Executive Directors
to the Board of Governors

Membership of the Republic of Nauru

1. In accordance with Section 19 of the By-Laws of the International Bank for Reconstruction and Development, the application of the Republic of Nauru for membership in the Bank is hereby submitted to the Board of Governors.
2. The attached draft Resolution on membership in the Bank conforms substantially to the pattern for such resolutions.
3. Representatives of the Republic of Nauru have been consulted informally regarding the terms and conditions recommended in the attached draft Resolution and they have raised no objection thereto.
4. The attached draft Resolution is recommended for adoption by the Board of Governors of the Bank.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

(DRAFT)

Resolution No. ____

Membership of the Republic of Nauru

WHEREAS, the Government of the Republic of Nauru 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 Nauru, 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 Nauru 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" means the Articles of Agreement of the Bank.
 - (c) "1979 Additional Capital Increase Resolution" means Board of Governors' Resolution No. 347 entitled "1979 Additional Increase in Authorized Capital Stock and Subscriptions Thereto" adopted on January 4, 1980, as amended by Resolution No. 419 adopted on August 17, 1987.

2. Membership in the Fund: Before accepting membership in the Bank, the Republic of Nauru shall accept membership in and become a member of the International Monetary Fund.

3. Subscription: By accepting membership in the Bank, the Republic of Nauru shall subscribe to 336 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 Nauru shall pay to the Bank under Article II, Section 7(i) of the Articles on account of the subscription price of each of the 336 shares subscribed pursuant to paragraph 3 of this Resolution:

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

(ii) An amount in its own currency which, at the appropriate prevailing exchange rate, shall be equal to 5.4% (five and four-tenths of one percent) 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 Nauru's subscription to the shares set out in paragraph 3 of this Resolution, the following action shall have been taken:

(a) The Republic of Nauru 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 Nauru 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 Nauru 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 paragraphs 7(d) and (e) of this Resolution and the Republic of Nauru 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 Nauru 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 Nauru shall have complied with the following requirements:

- (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 by the Bank, 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. Additional Subscription on Terms and Conditions of the 1979 Additional Capital Increase Resolution: The Republic of Nauru may subscribe 250 shares of the capital stock of the Bank on the terms and conditions specified in paragraphs 2 and 3 of the 1979 Additional Capital Increase Resolution, provided, however, that notwithstanding the provision of paragraph 2(b) of the said

Resolution, the Republic of Nauru may subscribe such shares up to June 30, 2016, or such later date as the Executive Directors may determine.

9. Limitation on Period for Fulfillment of Requirements of Membership: The Republic of Nauru may fulfill the requirements for membership in the Bank pursuant to this Resolution until June 30, 2016, or such later date as the Executive Directors may determine.

(TO ALL GOVERNORS, ALTERNATES AND MEMBER COUNTRIES)

(DRAFT)

Date

1. Attached is a Report dated _____, 2015, from the Executive Directors to the Board of Governors entitled: "Membership of the Republic of Nauru", along with a draft Resolution. These documents are submitted for Governors' approval by a vote without meeting, pursuant to Section 12 of the By-Laws of the Bank.
2. No particular form of vote is required as long as a clear indication, in writing, is received as to whether or not the Governor or Alternate Governor approves the Resolution. However, to facilitate casting of the votes, attached is a ballot form which may be completed and returned to us either by e-mail attachment, facsimile or mail.
3. The requirements for adoption of the Resolution are as follows:
 - For purposes of a quorum, replies must be received from a majority of Governors exercising not less than two-thirds of the total voting power; and
 - In addition, the Resolution must receive the approval of a majority of the votes cast.
4. To be valid, votes must be cast by Governors or Alternate Governors and must be received by my office not later than 6:00 p.m., Washington time on _____, 2015, unless the Executive Directors shall have extended the period of voting. Votes not received by the terminal date shall be void.

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5. Votes cast on the Resolution shall be counted and held by the Corporate Secretary. The Corporate Secretary shall canvass the votes cast and report to the Executive Directors, who shall record the result of voting. All members shall be informed of the result of the voting. The Corporate Secretary shall take such further action as he shall deem necessary or appropriate in the circumstances.

Sincerely,

Mahmoud Mohieldin
The Corporate Secretary

Attachments