



Treaty Series No. 27 (1997)

Amendments to the Agreement
Establishing the Inter-American Development Bank,
the Regulations of the Board of Governors
and
The General Rules Governing Admission of
Non-Regional Countries to Membership in the Bank

Adopted at Washington on 12 July 1995

[The Amendments to the Agreement entered
into force on 31 July 1995]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
1997*

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**AMENDMENTS TO THE AGREEMENT ESTABLISHING THE
INTER-AMERICAN DEVELOPMENT BANK,¹
THE REGULATIONS OF THE BOARD OF GOVERNORS AND
THE GENERAL RULES GOVERNING ADMISSION OF
NONREGIONAL COUNTRIES TO
MEMBERSHIP IN THE BANK (Resolution AG12/95)**

Adopted by the Board of Governors of the Bank on 12 July 1995

WHEREAS during the discussions held in connection with the Eighth General Increase in the Resources of the Bank the Board of Governors concluded that it would be desirable to amend certain provisions of the Agreement Establishing the Inter-American Development Bank and other basic Bank documents dealing with the respective voting powers of member countries, the representation of the regional developing and nonregional member countries in the Bank, and certain voting majorities; and

WHEREAS Article XII of the Agreement Establishing the Inter-American Development Bank provides for the process of amending the Agreement;

The Board of Governors

RESOLVES THAT:

Section 1. *Amendments of the Agreement Establishing the Bank*

The Agreement Establishing the Inter-American Development Bank shall be amended as follows:

1. Article III, Section 12 shall read:

“On all loans, participations, or guarantees made out of or by commitment of the ordinary capital resources of the Bank, the latter shall charge a special commission. The special commission, payable periodically, shall be computed on the amount outstanding on each loan, participation, or guarantee and shall be at the rate of one per cent per annum, unless the Bank, by a three-fourths majority of the total voting power of the member countries, decides to reduce the rate of commission.”

2. Article IV, Section 9(b) shall read:

“(b) All decisions of the Bank concerning the operations of the Fund shall be adopted by a three-fourths majority of the total voting power of the member countries, unless otherwise provided in this article.”

3. Article V, Section 1(e) shall read:

“(e) Gold or currency held by the Bank in its ordinary capital resources or in the resources of the Fund shall not be used by the Bank to purchase other currencies unless authorized by a three-fourths majority of the total voting power of the member countries. Any currencies purchased pursuant to the provisions of this paragraph shall not be subject to maintenance of value under Section 3 of this article.”

4. Article VII, Section 1(iii) shall read:

“(iii) with the approval of a three-fourths majority of the total voting power of the member countries, invest funds not needed in its operations in such obligations as it may determine;”

5. Article VIII, Section 2(e) shall read:

“(e) A quorum for any meeting of the Board of Governors shall be an absolute majority of the total number of governors, including an absolute majority of the governors of regional members, representing not less than three-fourths of the total voting power of the member countries.”

6. Article VIII, Section 3(b)(ii) shall read:

“(ii) One executive director shall be appointed by the member country having the largest number of shares in the Bank, not less than three executive directors shall

¹Treaty Series No. 12 (1980) Cmnd. 7792

be elected by the governors of the nonregional member countries, and not less than ten others shall be elected by the governors of the remaining member countries. The number of executive directors to be elected in these categories, and the procedure for the election of all the elective directors shall be determined by regulations adopted by the Board of Governors by a three-fourths majority of the total voting power of the member countries, including, with respect to provisions relating exclusively to the election of directors by nonregional member countries, a two-thirds majority of the governors of the nonregional members, and, with respect to provisions relating exclusively to the number and election of directors by the remaining member countries, by a two-thirds majority of the governors of regional members. Any change in the aforementioned regulations shall require the same majority of votes for its approval.”

7. Article VIII, Section 3(c) shall read:

“(c) Each executive director shall appoint an alternate who shall have full power to act for him when he is not present. Directors and alternates shall be citizens of the member countries. None of the elected directors and their alternates may be of the same citizenship, except in the case of:

- (i) countries that are not borrowers; and
- (ii) borrowing member countries, in cases determined by the governors of the borrowing members pursuant to a three-quarters majority of their total voting power and a two-thirds majority of their total number.

Alternates may participate in meetings but may vote only when they are acting in place of their principals.”

8. Article VIII, Section 4(b) shall read:

“(b) No increase in the subscription of any member to the ordinary capital stock shall become effective, and any right to subscribe thereto is hereby waived, which would have the effect of reducing the voting power (i) of the regional developing members below 50.005 per cent of the total voting power of the member countries; (ii) of the member having the largest number of shares below 30 per cent of such total voting power; or (iii) of Canada below 4 per cent of such total voting power.”

Section 2. *Amendment of Regulations of the Board of Governors*

Section 1(d) of the Regulations of the Board of Governors shall read:

“(d) A quorum for any meeting of the Board of Governors shall be an absolute majority of the total number of Governors, including an absolute majority of the Governors of regional members, representing not less than three-fourths of the total voting power of the member countries.”

Section 3. *Amendments of General Rules Governing Admission of Nonregional Countries to Membership in the Bank*

The General Rules Governing Admission of Nonregional Countries to Membership in the Bank shall be amended as follows:

1. Section 7(b) shall read:

“(b) No increase in the subscription of any member to the ordinary capital stock shall become effective, and any right to subscribe thereto is hereby waived, which would have the effect of reducing the voting power (i) of the regional developing members below 50.005 per cent of the total voting power of the member countries; (ii) of the member having the largest number of shares below 30 per cent of such total voting power; or (iii) of Canada below 4 per cent of such total voting power, provided that, notwithstanding the foregoing provisions and the provisions of Article VIII, Section 4(b), of the Agreement Establishing the Bank, any resolution of the Board of Governors for an increase in the ordinary capital stock of the Bank shall specify that (1) in order to prevent the voting power of the regional developing members as a group from falling below the set percentage, any member of the group may subscribe to shares allocated to another member of the group if the latter member does not wish to subscribe to such shares; (2) the provision relating to percentages of voting power

may be waived by the regional developing members as a group with respect to (i), and by the United States and Canada with respect to (ii) and (iii), respectively; and (3) any member of the group of nonregional members may subscribe to shares allocated to another member of the group if the latter member does not wish to subscribe to such shares.”

2. Section 8 shall read:

“Since nonregional countries shall have the right to elect not less than three executive directors with their own votes as provided in Article VIII, Section 3(b)(ii), of the Agreement Establishing the Bank, as amended by the resolution referred to in Section 1(a) hereof, the Regulations for Election of Executive Directors, provided for in said Article of the Agreement, are amended to read as set forth in Annex I hereto. These amendments shall become effective on the same date as these General Rules enter into force.”

3. Section 9 shall read:

“The agreement of a two-thirds majority of the total number of governors of nonregional members shall be required for the approval of an increase in the number of executive directors of the Bank beyond a total number of fourteen executive directors.”

Section 4. *Entry into force*

This resolution and all the provisions thereof, including the foregoing amendments to the Agreement Establishing the Inter-American Development Bank, the Regulations of the Board of Governors and the General Rules Governing Admission of Nonregional Countries to Membership in the Bank shall enter into force on the date on which the official communication referred to in Article XII (c) of the Agreement Establishing the Inter-American Development Bank has been addressed to members certifying that this resolution has been adopted by the requisite majorities.

(Adopted 12, 1995)

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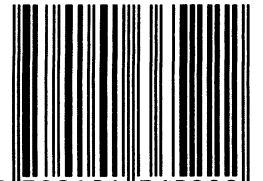
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