



**BOARD OF DIRECTORS
CODE OF CONDUCT**

October 2015



CARIBBEAN DEVELOPMENT BANK

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS OF THE CARIBBEAN DEVELOPMENT BANK

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ABBREVIATIONS

OAC	-	Oversight and Assurance Committee
Board	-	Board of Directors
CDB	-	Caribbean Development Bank
Code	-	Code of Conduct for the Board of Directors

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1. INTRODUCTION

- 1.01 This Code of Conduct (Code) for the Board of Directors (Board) of the Caribbean Development Bank (CDB or Bank) has been adopted by the Board to set forth the principles and ethical standards for Directors, Alternate Directors and Temporary Alternate Directors (herein referred to as Directors) in connection with or having a bearing upon their status and responsibilities in the Bank. As Directors are entrusted with responsibilities ^{1/} as prescribed in the Agreement Establishing the Caribbean Development Bank and By-Laws their personal and professional conduct must comply with the standards and procedures set forth herein. The important functions and responsibilities of the office require that Directors meet the highest standards of loyalty, competence and integrity in discharging their duties and be particularly sensitive to the special development needs of the Caribbean.
- 1.02 The Code sets out fundamental principles and practices for avoiding conflicts of interest, upholding ethical conduct, ensuring the highest standards and maintenance of integrity and protecting the reputation of the Bank. The Code is neither all-inclusive nor exhaustive.
- 1.03 The Oversight and Assurance Committee (OAC) shall oversee compliance with, provide guidance in relation to, and investigate potential breaches of, this Code.

2. APPLICATION OF THIS CODE

- 2.01 This Code shall come into effect on approval by the Board. The Board shall review this Code from time to time to ensure that the highest ethical standards continue to be required.

^{1/} Pursuant to Article 30 of the Agreement Establishing the Caribbean Development Bank, the Board shall be responsible for the conduct of operations of the Bank, and for this purpose may exercise all the powers delegated to it by the Board of Governors. Each Director shall appoint an Alternate who shall have full power to act for him/her when he/she is not present.

3. DIRECTORS' RESPONSIBILITIES AND APPLICABLE STANDARDS

3.01 Each Director shall:

- (a) inform himself/herself of the provisions of the Agreement Establishing the Bank, the By-Laws, the Headquarters' Agreement, and any other policy or guideline that guides his/her responsibilities as a Director of the Bank;
- (b) keep himself/herself generally informed about the activities of the Bank;
- (c) devote to the business of the Bank such time and attention as its interests may require^{2/} and demonstrate due diligence and dedication in preparation for, and attendance at, meetings of the Board, and to serve on committees of the Board, as necessary;
- (d) display, in the discharge of the duties of Director, the diligence and skill required of directors of an international organisation that is a multi-lateral development bank and avoid any action that may reflect adversely upon his/her position as a member of the Board;
- (e) act with honesty and integrity, and conduct himself/herself in a manner consistent with the nature and the responsibilities of the position, and with the maintenance of confidence in the conduct of the Board's business and, in particular, perform his/her duties to the Bank in a manner that preserves and enhances public confidence in his/her integrity and the integrity of the Bank;
- (f) know and respect the distinction between the governance and oversight roles of the Board, and the management role of the Staff of the Bank. In this context Staff means all employees (including, where necessary, temporary

^{2/} Section 13 (a) of the By-Laws of the Caribbean Development Bank

or designated part-time employees but excluding consultants or experts performing missions for the Bank) enjoying regular (either fixed or indefinite) contracts of employment with the Bank;

- (g) recognising that Staff owe their duty entirely to the Bank, are prohibited from interfering in the political affairs of any member country and are required to be influenced in their decisions by economic considerations only, note the requirement that all member countries respect the international character of that duty and refrain from all attempts to influence Staff in the discharge of their duties.^{3/}
- (h) recognise and respect the professional independence and judgment of Staff and their responsibilities to carry on the day-to-day activities of the Bank, in accordance with policies approved by the Board;
- (i) in their dealings with colleagues and Staff, exercise tolerance, courtesy and respect, and provide fair consideration to diversity of views; and
- (j) comply with all other codes, policies and procedures approved by the Board concerning the personal and professional conduct of the Directors and at the start of his/her term of office, and thereafter, annually, submit to OAC a certificate of acknowledgement indicating that he/she has read, understood and will be in compliance with the provisions of this Code.

4. CONFLICTS OF INTEREST

4.01 In discharging their duties, Directors shall carry out their responsibilities to the exclusion of any personal advantage and to avoid any situation involving an actual conflict, or the appearance of a conflict, between their personal interests and their duty to

^{3/} Article 35, paragraph 2 of the Agreement Establishing the Caribbean Development Bank

the Bank. A conflict of interest is a situation or circumstance in which the private interests of a Director influence or may be reasonably seen to influence the independent, objective and impartial performance of his/her duties as a Director. Private interests include any advantage for himself/herself, family members, associates or personal acquaintances.

- 4.02 A Director having a conflict of interest concerning a decision to be taken by the Board shall declare it to the Chairman of the Board meeting at the start of the relevant meeting, shall not communicate with other Directors about the decision, shall absent himself/herself from the discussions of such operation in the Board and shall abstain from voting on such decision. Any such declaration concerning a decision of the Board shall be included in the Minutes of the Meeting. A Director having a conflict of interest concerning a decision of the Board to be taken by the Board via round robin procedure, i.e. without meeting, shall abstain from communicating with other Board members about the decision. He/she can ask, in writing, that his abstention on grounds of conflict be noted.
- 4.03 If a perceived or actual conflict arises or could arise, or it is reasonable to be of the view that guidance should be sought as to whether a conflict, actual or apparent exists, the Director concerned shall promptly refer the matter in writing to the Chair of OAC and shall withdraw from attendance or participation in deliberations in relation to, or in decision-making connected with, that matter.
- 4.04 A Director who is aware of the appearance of or of an actual conflict of interest on the part of a fellow Director shall promptly and, in confidence, raise the issue for clarification, first with the Director in question and, if still unresolved, with the Chair of OAC.
- 4.05 Directors are prohibited from having any financial interest in any transactions of the Bank or in any projects involving the Bank.

5. GIFTS AND HOSPITALITY

- 5.01 In regard to acceptance of favours, gifts and entertainment, Directors shall exercise tact and judgement to avoid the appearance of improper influence on the performance of their official duties. The ordinary courtesies of international business and diplomacy may be accepted, but gifts, favours, and entertainment, as well as loans and other services, shall not be accepted unless they are of insignificant monetary value. However, should it be difficult to refuse, notably because such refusal could prove offensive or embarrassing to the donor or the Bank, the gift shall be promptly turned over to the Bank Secretary for charitable donation, display on the premises, or other disposal as OAC may determine.

6. REPORTING OF ILLEGAL OR UNETHICAL BEHAVIOUR AND FRAUDULENT ACTS

- 6.01 The Bank promotes transparency, openness and integrity in its operations. This approach is intended to discourage fraudulent acts. Directors shall promptly report illegal, unethical or fraudulent acts or suspected misconduct by Staff to the appropriate authority within the Bank, or, by Board members, to the Chair of OAC.

7. CONFIDENTIAL INFORMATION AND DISCLOSURE OF INFORMATION

- 7.01 Directors shall at all times observe the applicable policies of the Bank regarding disclosure of information.
- 7.02 Directors shall protect the security of any information obtained in the performance of their duties that is not otherwise available to the public and, in particular, shall not divulge any confidential information or data coming to their knowledge during the performance of their duties to persons or bodies outside the Bank, other than to their officials and other persons assisting them in the discharge of their duties as Directors, provided that such persons are subject to an equivalent duty of confidentiality.

It is the responsibility of each Director to know what information is confidential, and to obtain clarification when in doubt. For the purposes of this provision, confidential information means information that is considered as such by the Bank under the Bank's Information Disclosure Policy. If a Director believes that confidential information may have been improperly disclosed, he/she shall so advise OAC.

- 7.03 Additionally, Directors shall not use any of the Bank's confidential information, however obtained, for any purpose other than discharging their duty as Directors, including to advance their private interests or those of any other person or entity, including but not limited to the acquisition or sale of property financed under a Bank-funded project. In particular, no Director shall use information obtained as a result of his/her service on the Board for personal benefit, and each Director shall avoid any activity which may create an appearance that he/she has benefited from confidential information received during the course of his/her duties as a Director.
- 7.04 Directors shall protect the integrity of the Bank's decision-making and deliberative process. In particular, they shall refrain from disclosing what is said at Board meetings or at meetings of other governing bodies, and from disclosing the voting behavior of individual Directors to persons or bodies outside the Bank, other than to their officials and other persons assisting them in the discharge of their duties as Directors, provided that such persons are subject to an equivalent duty of confidentiality.
- 7.05 The provisions of this paragraph shall continue to apply to bind each Director without limitation, after his/her term of service has expired.

8. RELATIONS WITH BANK STAFF AND MEMBERS OF THE BANK'S GOVERNING BODIES

- 8.01 Directors shall not attempt to exert any undue influence on Staff with respect to the:

- (a) awarding of contracts for the procurement of goods and services;
- (b) appointment, compensation and termination of Staff; and
- (c) investigation and resolution of any dispute or allegation dealt with in accordance with the applicable policies and procedures of the Bank, including matters that may arise from a procurement or human resources matter involving the Bank and persons or entities from member countries which the Directors represent on the Board.

Undue influence in this context refers to the use by Directors of their position or authority to direct or cause Staff of the Bank to act inconsistently with the applicable policies of the Bank.

9. PRIVILEGES AND IMMUNITIES

9.01 Directors shall comply with the laws and regulations in force in the host country or in any other jurisdiction where they are present while on official duty on behalf of the Bank so as to avoid actions that could be perceived as an abuse of the privileges and immunities accorded to the Bank or its Directors.

9.02 The Bank may, to such extent and upon such conditions as it may determine, waive any of the immunities and privileges in respect of one or all Directors, if it considers this to be in the best interests of the Bank.

10. MONITORING AND ENFORCEMENT OF THE CODE OF CONDUCT

10.01 OAC shall be responsible for responding to all questions relating to the Code of Conduct and for enforcing the standards set forth within it.

10.02 OAC shall have the authority to:

- (a) request and receive the annual certificate of acknowledgement and respond to questions and requests

for clarification and guidance on any provision within this Code;

- (b) take follow-up action to confirm that the Committee's advice and guidance have been complied with;
- (c) consider and make recommendations to the Board with respect to allegations of misconduct under this Code; and
- (d) conduct fair, impartial and independent investigations of allegations received.

11. REQUESTS BY DIRECTORS FOR CLARIFICATION OR GUIDANCE

- 11.01 A request for guidance shall be made in writing to the Chair of OAC outlining the nature of the request. Where the request involves legal issues, OAC shall refer the request to the General Counsel for review and advice. The General Counsel may request further information or clarification regarding the request if necessary in providing his/her advice to OAC.
- 11.02 OAC shall provide a written determination on the request as soon as is practicable. OAC may communicate the determination to other Directors after consultation with the Director concerned and in a manner that ensures the privacy of the Director concerned, should the Director so require it.

12. INVESTIGATING ALLEGATIONS OF MISCONDUCT

- 12.01 Allegations of misconduct against a Director must be made to the Chair of OAC. Allegations of misconduct by a Director, received by other units or persons in the Bank, shall be submitted directly and confidentially to the Chair of OAC.
- 12.02 OAC shall, as soon as is practicable, conduct a threshold assessment to determine whether the allegation warrants further investigation. OAC shall dismiss the allegation if it determines that there is insufficient evidence to support an investigation.

If OAC determines that the allegation warrants further investigation, then OAC shall recommend to the Board that an investigation be conducted. Should the Board, based upon OAC's recommendations, agree that an investigation should be conducted, OAC shall conduct the investigation. Should the need arise, OAC may appoint an independent investigator to assist it in gathering facts and evidence. The Bank will provide the necessary resources (budgetary and administrative) for the procurement of an independent investigator.

- 12.03 On the conclusion of an investigation, OAC shall prepare and submit a report to the Board advising of its determination as to whether the evidence indicates that misconduct occurred and recommending appropriate measures to take or impose, if any. Such measures could include the following courses of action: (a) no further action or (b) a caution to the Director accompanied by provision of notice of such caution to the Governor of the Director's member country.
- 12.04 The Director concerned shall, in all cases, be provided with timely notice of the allegation and adequate opportunity to present his or her views regarding the allegation to OAC and the Board, as applicable, and such views shall be taken into consideration in the preparation of the report.
- 12.05 When the Board has agreed to conduct an investigation into allegations of misconduct made against a Director, the Director concerned shall recuse himself/herself and shall not participate in any decisions related to the allegation and the deliberations on the case, and shall follow such other directions regarding his/her recusal or other measures directly related to the alleged misconduct as the Board may determine.
- 12.06 If the Chair of OAC is the subject of the allegation, the Chair shall remove himself/herself from all deliberations related to the allegation. The Deputy Chair of OAC shall chair all related deliberations.
- 12.07 If a member of OAC, other than the Chair, is the subject of the

allegation, that member shall remove himself/herself from all deliberations related to the allegation.

- 12.08 If OAC in the course of its work discovers actual or potential misconduct by a member of staff of the Bank, or fraud or corruption by a contractor or consultant in a Bank-financed project, it shall refer the matter to the Office of Integrity, Compliance and Accountability.

CERTIFICATE OF ACKNOWLEDGEMENT

This acknowledges that I have read, and that I understand the Code of Conduct for the Board of Directors of the Caribbean Development Bank (the Code). I have had time to seek clarification with respect to its contents. I understand that I am expected to adhere to the guiding principles and standards of conduct set out in the Code.

Name: _____

Signature: _____

Date: _____

