



# Board of Executive Directors

## For information

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**To:** The Executive Directors of the Inter-American Investment Corporation

**From:** The Secretary

**Subject:** Regulations of the Board of Executive Directors of the Inter-American Investment Corporation. Approved version

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REGULATIONS OF THE BOARD OF EXECUTIVE DIRECTORS OF THE INTER-AMERICAN INVESTMENT CORPORATION. Version Approved

# REGULATIONS OF THE BOARD OF EXECUTIVE DIRECTORS OF THE INTER-AMERICAN INVESTMENT CORPORATION

## Part I: General Provisions

### Section 1. Authority for Regulations

These Regulations are adopted by the Board of Executive Directors pursuant to Article IV, Section 2(f) of the Agreement Establishing the Inter-American Investment Corporation and Section 6 of the By-Laws of the Inter-American Investment Corporation (hereinafter referred to as “the Corporation”), and such other authority as may be cited hereafter.

### Section 2. Definitions

- (a) “Executive Director”, except where otherwise specified, includes the Alternate and the Temporary Alternate, as the case may be.
- (b) “Board” refers to the Board of Executive Directors.
- (c) “Chairperson” refers to the Chairperson of the Board.
- (d) “Agreement” refers to the Agreement Establishing the Inter-American Investment Corporation.
- (e) “By-Laws” refers to the By-Laws of the Corporation.
- (f) “Secretary” refers to the Secretary of the Board.
- (g) “Bank” refers to the Inter-American Development Bank.
- (h) “Investments” refers to the investments by the Corporation in enterprises in the member countries.
- (i) “General Manager” refers to the General Manager of the Corporation.
- (j) “Management” refers to the staff of the Corporation.

### Section 3. Amendments

These Regulations may be amended by the Board at any meeting, provided at least fifteen calendar days' notice of the proposed amendment has been given to the Executive Directors in writing.

### Section 4. Precedence

The order in which the Executive Directors shall perform, for one month, on a rotating basis, the duties provided for in Part III, Section 1(a), of these Regulations shall be determined by lot.

## Part II: Powers

### Section 1. General Responsibility of the Board

The Board of Executive Directors is responsible for the conduct of the operations of the Corporation and for this purpose may exercise all the powers given to it in the Agreement or delegated to it by the Board of Governors (Agreement, Article IV, Section 4(a) and By-Laws, Section 3).

## **Section 2. Powers of the Board**

The Board is empowered to:

- (a) Adopt regulations containing operating, financial and investment policies and rules for conducting the business of the Corporation (Agreement, Articles I, Section 3, and IV, Section 2(f), and By-Laws, Sections 3 and 6).
- (b) Consider and decide on all operations of the Corporation (Agreement, Article IV, Section 4(a) and By-Laws, Section 3).
- (c) Determine the basic organization of the Corporation, including the number and general responsibilities of the principal administrative and professional positions, and approve the administrative budget of the institution (Agreement, Article IV, Section 5).
- (d) Examine the financial statements of the institution, including the balance sheet and the statement of profit and loss, and submit them to the Board of Governors at each annual meeting for approval (Agreement, Article IV, Section 2(c)(v) and Section 9(a) and By-Laws, Section 8).
- (e) Submit to each regular meeting of the Board of Governors a general report on the operations carried out by the Corporation (By-Laws, Section 1).
- (f) Make recommendations to the Board of Governors, in the general report, on matters relating to the activities of the Corporation (By-Laws, Section 1).
- (g) Call annual meetings of the Board of Governors, as well as special meetings (Agreement, Article IV, Section 2(d), and Regulations of the Board of Governors, Sections 1(a) and (b)).
- (h) Change the date and place of the special meetings of the Board of Governors when there are circumstances or reasons justifying such action (Regulations of the Board of Governors, Section 1(b)).
- (i) Attend any meeting of the Board of Governors, any Director being entitled to participate in such meetings but not to vote therein (Regulations of the Board of Governors, Section 1(g)).
- (j) Designate each year the person who shall serve as Secretary of the Board of Governors.
- (k) Submit specific questions to a vote of the Governors without calling a meeting of the Board of Governors, in accordance with the procedure established in the Agreement (Article IV, Section 2(e) and in the By-Laws, Section 4).
- (l) Authorize the establishment of offices in the territories of any of its member countries and the appointment of representatives (Agreement, Article X, Section 1).
- (m) Appoint, on the recommendation of the Chairperson, the General Manager (Agreement, Article IV, Section 7(b)).
- (n) Determine the annual period of recess for the entire Board.
- (o) In an emergency, suspend operations in respect of new investments, loans and guarantees until such time as the Board of Governors has an opportunity to consider the situation and take pertinent

measures (Agreement, Article VI, Section 1).

- (p) Decide, in the first instance, any question of interpretation of the provisions of the Agreement arising between any member and the Corporation or between members (Agreement, Article IX, Section 1(a)).

### **Part III: Rules of Procedure for Meetings of the Board of Executive Directors**

#### **Section 1. Meetings**

- (a) The Chairperson shall call the meetings and shall act as Chairperson of the Board. In the Chairperson's absence, the Board shall be called into session and presided over by the Executive Director whose turn it is in accordance with the order of precedence established pursuant to Part I, Section 4, of these Regulations. The Board may be called into session at any time at the written request of any Executive Director.
- (b) The Secretary shall notify the Executive Directors of a meeting at least two working days in advance of each meeting, if, at said meeting, there are to be considerations of loans and/or investments of the Corporation as generated by the Executive Committee. Otherwise, the Secretary shall notify the Executive Directors at least five working days in advance of each meeting to consider policy matters and other items not generated by the Executive Committee, except in special circumstances, when notice of a meeting shall be given as soon as possible.
- (c) The Board shall meet in person at the headquarters of the Corporation unless it decides in advance and for special reasons that a meeting shall be held in person elsewhere.
- (d) The quorum for meetings of the Board shall be a majority of Directors, representing not less than two thirds of the votes of the members. If the required quorum is not present thirty minutes after the time set for a formal meeting of the Board, a call for a meeting shall be issued every two working days until a quorum is reached (Agreement, Article IV, Section 4(k)).
- (e) Meetings of the Board shall be attended by the Chairperson, the Executive Directors, the General Manager, the Secretary, the Technical Assistants of the Directors, and other members of the staffs of the Corporation and the Bank that the Chairperson or the Director performing the functions of Chairperson pursuant to Part I, Section 4 above, on their initiative or upon recommendation of the General Manager may designate because of the matters to be considered, and such persons as the Board may invite, without prejudice to the provisions of Article IV, Section 4(l), of the Agreement.
- (f) The Board of Executive Directors may also meet in Executive Sessions in accordance with the provisions of Sections 10 and 11 herein.
- (g) When their principal is present at a meeting of the Board, an Alternate Executive Director may speak if their principal agrees.
- (h) Notwithstanding any other provision of these Regulations, the Board, the Committee of the Whole, and any other committee of the Board may conduct a meeting electronically (an "Electronic Meeting") pursuant to regulations that shall be approved by the Secretary and communicated to the Executive Directors. An Electronic Meeting shall be conducted using online or other electronic services as may be appropriate to provide for the simultaneous participation of Executive Directors, or committee members, as applicable. An Electronic Meeting may provide for audio and video participation, or audio participation only, as may be available for the specific meeting. The Board, the Chairperson of the Board, or the respective committee chairperson, may call an Electronic Meeting when it would not

be possible for the respective body to meet in person, during any period of the closure of Corporation premises (including mandatory telework), or for such other exceptional reasons that, in the discretion of the Board or chairperson, would make it impracticable to meet in person. If quorum is not established at the time of an Electronic Meeting, the postponement or other scheduling of the Electronic Meeting shall be established by the respective chairperson. In the event of an Electronic Meeting, the period of notice of the meeting, distribution of the agenda and distribution of documents shall be consistent with these Regulations or such other timing as determined by the respective chairperson.

## **Section 2. Agenda for Meetings**

- (a)
  - (i) The Chairperson shall prepare or arrange for the preparation of an agenda for each meeting of the Board, which shall be distributed to the Executive Directors at least forty-eight hours before such meeting. All documents shall be distributed to the Executive Directors at least fourteen calendar days before the scheduled date for their consideration in the Committee of the Whole, except for (x) reports on loan and investment operations to which reference is made in the following subparagraph; (y) reports from Board committee chairpersons, which shall be distributed at least three working days before the scheduled date for their consideration in the Committee of the Whole and/or the Board; and (z) audiovisual presentations used as visual aids accompanying a principal document, which shall be distributed in both languages at least two working days before they are to be presented to the Committee of the Whole and/or Board. In the special cases provided for in Subsection 1(b) above, the documents shall be distributed as soon as possible.
  - (ii) Each proposal for a loan and investment operation approved by the Executive Committee shall be included in the agenda of a meeting of the Board of Executive Directors to be held immediately following the meeting of the Executive Committee for the purpose of approving such loan and investment proposals. The loan or investment operation shall then be deemed approved by the Board, and a record of such approval shall be made in the minutes of that meeting of the Board. However, following the Executive Committee meeting where a loan or investment operation is initially approved, any Executive Director may request that such operation be included in the agenda of the next meeting of the Committee of the Whole for its consideration; once included in the agenda of the Committee of the Whole, it will be processed in accordance with the procedures set forth in these Regulations.
  - (iii) In the event that the Executive Committee shall reject an operation, the Board, upon the request of any Director, may require that Management's report on such operation, together with a summary of the Committee's review, be submitted to the Board for discussion and possible recommendation with regard to the technical and policy issues related to the operation and to comparable operations in the future. Such report shall be distributed to the Board at least fourteen calendar days before the date scheduled for its consideration in the Committee of the Whole.

- (iv) Within the limits authorized from time to time by the Board of Executive Directors, Management may submit proposals that will be processed under the Streamlined Procedure set forth in Part III, Section 4 of the Regulations of the Executive Committee. Under this procedure, proposals will be submitted for simultaneous consideration by the Executive Committee and the Board of Executive Directors within a period of seven working days. Proposals will be regarded as approved by the Executive Committee upon expiration of said period if it is not interrupted in writing by an Executive Director or the Executive Director's Alternate or the Temporary Alternate replacing them, and they shall be regarded as approved by the Board of Executive Directors immediately after approval by the Executive Committee. A record of such approval will be made in the minutes of the next meeting of the Board of Executive Directors. Pursuant to Part III, Section 4 of the Executive Committee Regulations, the Streamlined Procedure may be interrupted at the written request of any Executive Director or the Executive Director's Alternate or Temporary Alternate, in which case the Streamlined Procedure will be considered void and the proposal will be included in the Agenda of the next meeting of the Executive Committee for processing in accordance with the procedures set forth in these Regulations. Management shall provide periodic reports on projects processed under the Streamlined Procedure.
- (b) Any Executive Director belonging to the respective body may request that a new item be added to the agenda of a meeting of the Committee of the Whole or of the Board by so informing the Secretary in writing at least forty-eight hours before the date of the respective meeting. Amendment of the agenda of a meeting of the Committee of the Whole or of the Board once the meeting is in progress shall require the approval of the body in question. Amendment of the agenda is understood to mean the addition of new items, the deletion of items included in the agenda, without prejudice to the provisions of subsection (c) of this Section, and any change in the order of the items to be discussed.
- (c) The decision on an item added to the agenda of a meeting of the Committee of the Whole while the meeting is in progress will be adopted by the Board in a formal meeting to take place not less than seven calendar days after the discussion in the Committee of the Whole, unless the Board agrees unanimously to adopt a decision immediately.
- (d) At the request of the Chairperson, Management, or any Executive Director, the consideration of, or decision on, a matter submitted to the Committee of the Whole or to the Board, respectively, will be postponed a single time and for a period of seven calendar days, or until the next scheduled meeting, whichever is later. Requests for extensions shall be submitted in writing to the Secretary prior to the meeting or verbally while a meeting of the Committee of the Whole or the Board is in progress. However, discussion of an item may be initiated or continued with the consent of the Director requesting its postponement, provided that the distributed agenda gives prior notice to the Executive Directors that discussion of the item will be initiated but not concluded. In such a case, discussion of the item under consideration will not be terminated before the next meeting of the body in which the discussion is taking place. Any request for an additional extension will require the agreement of the pertinent body.
- (e) Any item on the agenda for a meeting, consideration of which has not been completed at that meeting, shall, unless the Board decides otherwise, be automatically included on the agenda for the next meeting.
- (f) Management may withdraw a matter that it submits to the Committee of the Whole and/or the Board following distribution of the corresponding documents by so informing the Secretary and the concerned Executive Directors in writing, including the reason therefor, and the Secretary shall notify the Executive Directors of such withdrawal.



- (g) In addition to the special procedures for the consideration of proposed operations set forth in Section 2(a) above, in order to expedite the work of the Board, Management may submit to the Board various other types of matters as described below in paragraph 2(h) for Board consideration under the short procedure, which for such various other types of matters consists of submitting a proposal to the Board and regarding it as approved upon the expiration of a fixed period of five working days. If for such various other types of matters the period of expiration is not interrupted at the written request of an Executive Director, the proposal will be considered approved by the Board at the date of expiration of the period, and a record to that effect will be made in the minutes of the next meeting. If the period is interrupted at the written request of an Executive Director, the procedure will be considered void and the proposal will be included in the agenda of the next meeting of the Committee of the Whole. Once included in the agenda, matters will be processed in accordance with the procedures set forth in these Regulations.
- (h) The following matters may be processed under the short procedure:
  - (i) Technical cooperation projects for an amount not exceeding that authorized by the Board for direct approval by Management;
  - (ii) Extensions to deadlines for the signature of loan and investment contracts and technical cooperation agreements, beyond the length of time for which authority to extend is delegated to Management;
  - (iii) Extensions to deadlines for the commitment and/or disbursement of the funds in loans, investments and technical cooperation, beyond the length of time for which authority to extend is delegated to Management;
  - (iv) Amendments to loan and investment resolutions;
  - (v) Quarterly financial statements of the Corporation;
  - (vi) Extensions of deadlines for voting by the Board of Governors without calling a meeting, as provided for in Section 4 of the By-Laws of the Corporation, if this power has been delegated to the Board of Executive Directors by the Board of Governors;
  - (vii) The final reports of Executive Directors in charge of verifying the vote count pursuant to the voting process referred to in subsection (vi) above, as submitted for Board approval; and
  - (viii) Extensions of deadlines set by the Board of Governors for certain countries to accept the conditions and meet the requirements for admission as members of the Inter-American Investment Corporation, in those cases in which this power has been delegated to the Board of Executive Directors by the Board of Governors.

### **Section 3. Executive Committee**

There shall be an Executive Committee of the Board composed as indicated in Article IV, Section 6(a) of the Agreement, with the power established in said Section 6, which shall be governed by special regulations to be approved by the Board.

### **Section 4. Voting**

- (a) If an Executive Director requests a formal vote on any matter in the Board, the vote shall be taken in accordance with the provisions of Article IV, Section 3(b), of the Agreement. In the absence of any

such request, it will be understood that the Board is in agreement and the Chairperson will declare the matter approved. The Executive Directors always have the right to have their points of view recorded in the minutes.

- (b) Each Director shall be entitled to cast the number of votes which the member or members of the Corporation whose votes counted towards the Director's nomination or election are entitled to cast. All the votes which a Director is entitled to cast shall be cast as a unit. (Agreement, Article IV, Sections 4(f) and (g)).
- (c) Once a matter has been approved, it may be reconsidered only if the same majority that was necessary for its approval so agrees and if a decisive element that was not available when the first decision was taken has since become known.
- (d) The Board may vote electronically ("Electronic Voting") in connection with an Electronic Meeting or when otherwise determined appropriate by the Board or by its Chairperson. Electronic voting will be conducted using such communication services and pursuant to such regulations that shall be approved by the Secretary and communicated to the Executive Directors. The period for Electronic Voting shall be determined by the same authority that determined that Electronic Voting shall take place. Any matter submitted for Electronic Voting shall be deemed approved as of the date on which sufficient votes are received by the Secretary representing the applicable quorum and necessary favorable votes, unless otherwise provided for in the documentation submitted for the vote.

#### **Section 5. Notices to Executive Directors**

- (a) Except as provided in Part 1, Section 3 of these Regulations, notices to an Executive Director shall be deemed to have been sufficiently given when they shall have been delivered in writing, including by electronic mail, during regular business hours of the Corporation.
- (b) Whenever any document is required by these Regulations to be delivered to an Executive Director, it shall be deemed to have been sufficiently delivered if it was posted electronically through the SEC website or sent by electronic mail during regular business hours of the Corporation.
- (c) The giving of any notice or the delivery of any document which is required by these Regulations to be given or delivered to an Executive Director may be waived by the Executive Director.

#### **Section 6. Secretary**

- (a) The Chairperson, in agreement with the Board, shall designate the official who shall serve as Secretary of the Board, without prejudice to the power of the Board to request the removal of the Secretary when it considers this to be necessary.
- (b) The Secretary shall be responsible for the preparation of the minutes of the meetings of the Board which shall reflect the sense of the discussions and the decisions adopted. The Executive Directors shall be entitled to have their views recorded in the minutes as statements. These statements made in a meeting of the Committee of the Whole shall be recorded, when expressly requested by a Director, in the minutes of the meeting of the Board at which the matter in question was addressed.
- (c) Draft minutes shall be distributed to the Executive Directors within 48 hours after each meeting except in special situations, and in any event prior to the next meeting. The final text of the minutes shall be presented to the Board for approval at the next meeting. The Secretary shall be responsible for the custody of the minutes and other documents relating to proceedings of the Board.

## **Section 7. Publicity**

The discussions of the Board shall be confidential, as well as the proceedings that the Board shall consider of such character. However, the Board may expressly authorize the Chairperson to release appropriate information on such matters as considered advisable.

## **Section 8. Committee of the Whole**

In addition to holding formal meetings, the members of the Board may meet as a Committee of the Whole, subject to the provisions of these Regulations, for the purpose of giving preliminary consideration to such agenda or matters as deemed appropriate.

## **Section 9. Committees**

- (a) The Board may establish such other committees as it shall deem advisable. Membership of committees need not be limited to Executive Directors.
- (b) Except as indicated in Article IV, Section 6 (d) of the Agreement on voting in the Executive Committee or unless otherwise decided by the Board, there shall be no voting in committees of the Board. The chairperson of each committee shall determine the sense of the committee and report it to the Board, with appropriate mention of any differing points of view which may exist.

## **Section 10. Executive Sessions**

- (a) At the proposal of the Chairperson or any Executive Director, meetings may be held in Executive Session and shall be attended only by the Chairperson, the General Manager, the Executive Directors and, with the approval of the Board granted separately for each Executive Session, the Secretary and such other persons as may be specifically designated. Executive Sessions do not require advance notice.
- (b) The minutes of Executive Sessions will only record the Board of Executive Directors' decisions.

## **Section 11. Special Executive Sessions for Ethics Oversight**

- (a) The Board of Executive Directors, consistent with its responsibility for the conduct of the operations of the Corporation and to ensure institutional accountability under Corporation policy, shall meet in a Special Executive Session for Ethics Oversight to consider sensitive and confidential matters which by their nature may cause significant harm to the Corporation's reputation, as well as systemic fraud, corruption, and whistleblower retaliation.
- (b) Matters understood to have the potential for causing significant harm to the reputation of the Corporation shall include matters involving the conduct of the General Manager of the Inter-American Investment Corporation, and any senior officer reporting directly to the General Manager.
- (c) Meetings of a Special Executive Session for Ethics Oversight shall be attended on the part of the Executive Directors, only by titular Executive Directors of the Corporation, without delegation, except when the position of titular Executive Director is vacant, in which case the Director holding the highest position of the Chair may attend a meeting. The Board of Executive Directors may further determine that it would be appropriate to conduct such an Executive Session without the presence of the General Manager.
- (d) A group composed of the Dean, the Chairperson and the First Vice Chairperson of the Committee of

the Board of Executive Directors, shall jointly assess the necessity of bringing matters defined in paragraphs (a) and (b), above, to a Special Executive Session for Ethics Oversight.

- (e) Matters referred to in sections (a) and (b), above, shall be reported to the group referred to in section (d), above, by the Chairperson of the Board, the officers referred to in section (b), above, any Executive Director, or any other officer delegated by the IIC to carry out ethics oversight.
- (f) In considering a particular matter, the Special Executive Session for Ethics Oversight or the group referred to in section (d), above, may request reports from Management on matters referred to in sections (a) and (b), above, or matters referred to it by the Committee of the Board.
- (g) In considering any particular matter subject to the Corporation's integrity and conflict resolutions systems, the Special Executive Session for Ethics Oversight shall not direct Management to undertake a particular investigation or to conduct an investigation in a particular way, overrule Management's actions in the handling of allegations of misconduct, including the imposition of any disciplinary sanction, or otherwise supersede applicable Corporation policy or the discretionary authority of officers responsible for management of the Corporation's integrity systems.
- (h) The Board of Executive Directors meeting in Special Executive Session for Ethics Oversight shall take into consideration the Corporation's policies regarding confidentiality and in consultation with the General Counsel and, where deemed appropriate, the individuals responsible for the management of the Corporation's integrity systems, determine what information is reasonably necessary to perform its oversight functions and shall be provided access to that information. The Secretary and the General Counsel shall determine the manner in which the information shall be provided to the Special Executive Session for Ethics Oversight in order to address and/or mitigate any concerns for the Corporation in the treatment of such information.

#### **Part IV: Conditions of Service of Executive Directors and Alternates**

##### **Section 1. Designation of Alternates**

In accordance with Section 2(c) of the By-Laws and Article IV, Section 4(b) of the Agreement, when neither an Executive Director nor the Executive Director's Alternate is able to attend a meeting of the Board, the Executive Director may appoint a Temporary Alternate to take the Executive Director's place. When the office of the Executive Director is vacant, the Alternate may appoint a Temporary Alternate.

##### **Section 2. Remuneration and Official Travel Expenses**

- (a) As provided in Section 2(b) of the By-Laws and Section 4(b) of the Regulations for the Election of Executive Directors, the Executive Directors, their Alternates and the Temporary Alternates may receive salaries and associated benefits from the Corporation in accordance with the terms and conditions determined by the Board of Governors.
- (b) The Corporation shall, in accordance with established procedures, cover the expenses for transportation and *per diem* incurred by the Executive Directors and Alternates in traveling officially.

##### **Section 3. Leave**

When planning to be absent from the headquarters of the Corporation, an Executive Director shall notify the Chairperson and the Board of Executive Directors as far in advance of such absence as possible, so that arrangements can be made for coordination to ensure proper performance of the duties of the Board. Notification of proposed travel by an Alternate Executive Director shall indicate the concurrence of the respective Executive Director. Each Executive Director shall also coordinate travel plans with their

Alternate to ensure that, so far as possible, one or the other will be available at all times at the headquarters of the Corporation.

**Transitory provision**

The Secretary of the Inter-American Development Bank shall be Secretary of the Board until another decision on this subject shall be made.