Code of Ethics and Professional Conduct

EARNING PUBLIC TRUST

IDB

October 2012

Inter-American Development Bank

Our Core Values

At the Inter-American Development Bank, our actions are guided by a set of Core Values. Throughout the institution, these values apply to all of our dealings.

Integrity. Integrity means conducting ourselves with honesty, truthfulness, and freedom from corrupting influences. It also means we comply with applicable local laws and observe the Bank's rules and regulations.

Loyalty. Loyalty means that in the performance of our duties, we answer entirely to the Bank and no other authority. It also means that the Bank will support our growth and well-being by fostering positive, productive workplaces.

Equity. Equity means that we apply rules and policies consistently and fairly to ensure a working environment free of favoritism, abuse in the exercise of authority and arbitrary or capricious decisions. It also means that we provide equitable treatment to our members, clients, stakeholders, and employees.

Inclusion. Inclusion means that we endeavor to understand, respect and value all cultures and individuals with diverse points of view. It also entails appreciating the views of others and an ability to work without prejudice, bias, or other forms of discrimination.

Impartiality. Impartiality means that we strive to act with objectivity and professionalism. It also means that, in the performance of our duties, we ensure that personal values, relationships, financial interests, convictions, or other factors such as nationality do not compromise or appear to compromise the performance of official duties.

Discretion. Discretion means that we safeguard confidential information and avoid public statements or actions that may compromise or appear to compromise the performance of official duties or damage the reputation of the Bank.

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This text includes definitions and other comprehension aids, which are displayed as call-out boxes or sidebars. These aids are intended to help us understand certain points included in the Code but are for illustrative purposes only.

The masculine form is used throughout this Code but refers equally to both men and women.

Introduction

1. Our Guiding Principles

As employees of the Inter-American Development Bank ("the Bank"), we hold ourselves to the highest standards of professional and ethical conduct. Above all, the people who do business with us - member countries, partners, the communities and people our work impacts and our colleagues - must find us trustworthy. These guiding principles can help us to maintain our high standards for integrity, impartiality, and discretion.

1.1 Our commitment to high standards of ethics and professional conduct

We work for a public international organization whose mission is to promote social and economic development in its developing member countries. As its employees, we are international civil servants. We all have an obligation to meet the highest standards of ethical behavior in order to earn the public trust necessary to accomplish the Bank's mission and create a positive, productive, and motivating work environment.

What does it mean to be an "international civil servant"?

An international civil servant is an employee of a public international organization, like the IDB. As international civil servants we are expected to always perform our work with integrity, impartiality, loyalty, and independence from any government or authority other than the IDB. We must also avoid putting ourselves in any position where our behavior or personal interests may not be in line with the image and interests of the Bank.

1.2 Our basic obligations to the Bank and the Bank's basic obligations to us

The Bank is committed to fostering and maintaining a work environment that supports ethical behavior and actively encourages an open dialogue on ethics and conduct. All of us are expected to demonstrate through our communications and actions our adherence to the following basic principles: 1) fair and impartial treatment of all; 2) a work environment free of discrimination, prejudice, sexual or other forms of workplace harassment, mistreatment, and intimidation or violence of any kind; 3) no tolerance for abuse in the exercise of authority; and 4) accountability for matters inherent in our duties and responsibilities as employees. We can all contribute to the Bank's positive atmosphere by carrying out our responsibilities in keeping with our Core Values.

Public image

The Bank respects our privacy as individuals. Nevertheless, we must conform to a high standard of conduct, both inside and outside of the workplace, to command respect and confidence in our capacity as international civil servants.

Our duty to the Bank

The Agreement Establishing the Bank (the *"Charter"*) states that, in the performance of our duties, we are responsible to the Bank and no other authority. We do not accept instructions relating to our performance from any outside source, public or private, including a government or other international organization. When we are on assignment from the Bank to an outside entity, we may accept instructions from that entity so long as they are consistent with the provisions of this Code and the terms of the assignment.

National laws, privileges and immunities

Our member countries grant the Bank certain privileges and immunities with respect to the work we do in our official capacities as Bank employees. We must be especially careful not to abuse these privileges and immunities, and never use or attempt to use them for our own personal benefit. The Bank is committed to cooperating with the authorities of member countries to facilitate the proper administration of justice whenever necessary.

Holding the status of international civil servants carries special responsibilities regarding our conduct, both at work and in our personal lives. We are all expected to meet our personal legal and financial obligations, including paying taxes and court-ordered spousal and child support and complying with applicable laws concerning the treatment of domestic employees, as well as all other national laws. Remember that a violation of national laws may also be considered Misconduct, as defined in Section 2.5 of this Code.

Financial obligations

Personal financial difficulties may hinder our ability to carry out our duties to the Bank. To minimize this possibility, we must strive to pay our financial obligations in a proper and timely manner. This includes any obligations imposed by law, such as taxes or responsibilities towards our dependents or domestic employees. In the event of a dispute between an employee and an alleged creditor, the Bank considers a court order to be determinative of the employee's obligations.

2. About Our Code

The principles described above and the Bank's Core Values form the basis of our Code of Ethics and Professional Conduct ("Code"). Our Code reflects the Bank's expectations for our conduct as employees. In some areas, this Code has incorporated other Bank policy statements in order to ensure that we have a single guide to address issues of ethics, conduct, and professionalism in our workplace.

While it is impossible to anticipate all issues that may arise in the course of our employment, some issues arise more frequently than others. Those scenarios—and how best to resolve them—are the subject of this Code.

2.1 Purpose of the Code

Our Code helps us make sound decisions in complex situations. Its purpose is to provide us with support and guidance for appropriate, ethical behavior as well as to hold us accountable for any lapses in our behavior. Our Code does this by setting forth our Core Values and providing guidance for conduct in specific situations.

By adhering to our Core Values, Guiding Principles and the guidance provided in this Code, we can maintain the trust we have built with our stakeholders and achieve an environment that is conducive to carrying out the Bank's mission to contribute to the economic and social development of Latin American and Caribbean member countries, individually and collectively.

2.2 Application

Our Code applies to all Bank employees regardless of where we are located. This includes staff as well as the Bank's complementary workforce, which includes all types of contractual employees who have a direct contract of employment with the Bank.

The Bank's Executive Directors, Alternate Executive Directors, and their Counselors, are subject to their own Code of Conduct. Through the application of that Code, these individuals are also expected to observe applicable Bank institutional policies, appropriate standards of behavior, and member country laws. If you need to report a matter relating to any of these individuals, consult the Secretary of the Conduct Committee of the Board of Executive Directors, or any member of that Committee, for guidance on how to proceed. The Office of Ethics will forward any matter that may fall under that Committee's jurisdiction to the Secretary of the Conduct Committee of the Board of Executive Directors.

2.3 Relation to other Bank policies

Our Code sets forth general principles and expectations for workplace conduct. Other documents—as specified in the "Policies and Documents to Consult" section of this Code—provide guidance and rules for individual departments, roles, and our interactions with one another. These documents are meant to complement each other. In the event that a rule or policy seems at odds with our Code, seek advice from the Office of Ethics.

2.4 Areas not covered by the Code

Referring to our Code for information and relying on common sense and good judgment will help us resolve most issues. However, no one document can provide us with answers or guidance for every issue that may arise at work. If you have any doubt about the right course of action, seek guidance by consulting with your supervisor, the Office of Ethics or one of the other resources identified in Section 4.2 of this Code.

2.5 What constitutes Misconduct?

When this Code refers to Misconduct, this includes, but is not limited to, failure to comply with the following:

- Our obligations as employees under the Agreement Establishing the Bank (the "Charter")
- Any section of this Code
- Your contract of employment and other duties of employment
- Staff Rules and other Bank regulations

It can also include a failure to observe the standards expected of an international civil servant. An action does not require malice or guilty purpose to be considered Misconduct.

2.6 Implementation and our shared commitment

Successful implementation of our Code depends on our shared commitment to follow the guidance and obligations that it sets forth. We undertake this commitment when we join the Bank, and reaffirm it annually by certifying our compliance with the Code and participating in ethics training. Each of us is responsible for reading, understanding, and adhering to our commitments under our Code. Failure to act in accordance with the Code may result in remedial actions or disciplinary sanctions. If you are ever unsure, consult with the Office of Ethics or another resource listed in Section 4.2 of this Code for clarification.

Maintaining an Ethical Workplace

3. Seeking Advice and Guidance on Ethics Issues

We may not know the nuances of every rule that applies to every transaction we enter into at the Bank. Therefore, when we have questions about how to proceed ethically, we are expected to seek advice from the Office of Ethics before taking action. The Ethics Officer and the professional staff of the Office of Ethics will help us interpret our Code when the appropriate course is not clear.

The Office of Ethics exists to help us understand our ethical obligations and to prevent and address Misconduct. The Office replies to any questions we have about the proper application of the Code in a particular dilemma or situation facing us at work. The Office gives advice on navigating these decisions so that we can avoid risks while fulfilling business objectives. The Office also conducts education and outreach activities aimed at helping us understand the Bank's expectations for employee conduct and business ethics. We are all encouraged to contact the Office of Ethics when questions arise, to help us do our work better and avoid potential problems.

If you need guidance in your daily work, you may discuss your concerns with any of the following.

- Your supervisor or Manager
- The Country Representative
- The Human Resources Department

However, it is the responsibility of the Office of Ethics to interpret the Code and determine whether or not an individual has violated the letter or spirit of the Code.

Ethical Decision Making

If you are unsure whether an action or decision is ethical, ask yourself the following questions:

- *Why do I have doubts?*
- *Who will be affected by this decision?*
- *Who at the Bank could help me make this decision?*
- *Would I be proud to tell my friends and family about what I'm doing?*
- *How would I feel if this decision were reported in the news?*

4. Reporting Misconduct and Other Ethical Concerns

4.1 Reporting – the value of speaking up

If we observe conduct we know is unethical—or even suspect it—we are encouraged to report it. Bringing our concerns to light is the most efficient way to ensure issues are corrected before they become pervasive problems. Supervisors and the officers listed under Section 4.2 below have the duty to report any Misconduct that they suspect or experience or that is reported to them.

4.2 How to make a report

If you believe you have witnessed or experienced Misconduct, or have concerns about any issues covered in this Code, you should report your concerns to the Office of Ethics or to one of the following individuals:

- The Human Resources Department General Manager, the Talent Management Division Chief, or a Human Resources Business Partner;
- Your supervisor;
- Your supervisor's superior(s), including the respective Manager; or
- The line supervisor of the accused person.

Any of the officers listed above who suspects Misconduct or receives an allegation of Misconduct must report it to the Office of Ethics within three business days or as soon as possible, after developing such a suspicion or learning of the allegation.

Note that while you may also seek help from the IDB Staff Association, it is important to remember that the Staff Association does not act on behalf of Management in receiving or addressing Misconduct reports.

While we are encouraged to report all Misconduct, we are *required* to report any known or suspected Prohibited Practices. "Prohibited Practices" (as defined in the *Bank's Sanctions Procedures)* include corrupt, fraudulent, coercive, collusive and obstructive practices. We report known or suspected Prohibited Practices committed by non-Bank employees in connection with Bank Group-financed activities to the Office of Institutional Integrity (OII), while we report Prohibited Practices, theft, and other types of workplace fraud, such as falsification of records, that involve Bank employees or benefits to the Office of Ethics. Such reporting should be done immediately after becoming aware of or suspecting such acts.

Additionally, employees should look out for and report any signs of money laundering – a term that refers to any attempt to cover up the source of illegally obtained money so that it appears legitimate. If you encounter any activity or transaction which raises suspicions of money laundering you should immediately contact OII if it involves an external party, or the Office of Ethics if it involves an IDB employee.

Individuals who report suspected Misconduct may do so anonymously or on a confidential basis. "Anonymously" means that the individual does not provide his name. "On a confidential basis" means that the person making the report provides his name, but the Office of Ethics will reveal the source of the allegation outside of such Office

only on a need-to-know basis in order to permit an investigation to be undertaken (if appropriate), and to respond to the concerns presented, unless:

(a) the person consents to the disclosure; or

(b) it is determined that

  (i) the person made allegations that were knowingly false or made with reckless disregard as to whether they were true or false, or

  (ii) there appears to be a risk of imminent danger or serious harm to individuals or the Bank, or

(c) the Bank is requested to disclose such information by a competent judicial authority within a member government and agrees to comply with such request; or

(d) the Bank otherwise has a legal obligation to disclose such information.

If you have questions or concerns about reporting Misconduct, you should consult with the Office of Ethics.

4.3 Our commitment to non-retaliation

The Bank expressly prohibits acts of retaliation against any person who has—or is suspected to have—reported Prohibited Practices in Bank-financed activities or Misconduct to Bank authorities, or cooperated with Bank authorities in an investigation in good faith. See *Staff Rule PE-328 "Whistleblower Reporting and Protection"* for more information. If you believe that you are a whistleblower and that someone has retaliated against you, you should bring your concerns to the Office of Ethics immediately.

What is a whistleblower? *A "whistleblower" is an employee or external party who, in good faith, reports allegations of fraud, corruption, or other Prohibited Practices in Bank-financed activities, as defined in the Bank's Sanctions Procedures, or of Misconduct as defined in this Code, or of misconduct under the Code of Conduct of the Boards of Executive Directors of the IDB and IIC and of the Donors Committee of the MIF, to the authorities provided for in Staff Rule PE-328.*

What is whistleblower retaliation? *Whistleblower retaliation means any action taken or threatened against an individual to punish him for cooperating in good faith on matters concerning Prohibited Practices or other Misconduct as provided in Staff Rule PE-328.*

4.4 Investigations, remedial actions, and discipline

All reports of Misconduct are reviewed by the Office of Ethics and are investigated as needed and may be reported to the appropriate authorities. All employees (including Staff Association officers) have a duty to cooperate in an investigation.

Individuals who violate our Code may face remedial actions and/or disciplinary sanctions, which may include anything from a written reprimand to reassignment to termination of employment. Keep in mind that you may also be subject to civil or criminal prosecution in case of violations of local laws.

For further information on investigations, remedial actions and discipline, see the *Procedures for the Code of Ethics and Professional Conduct*.

5. Further Expectations for Supervisors

Bank supervisors, as defined below, face additional responsibilities in the area of ethics and conduct. In particular, our supervisors are expected to do the following:

- Act as role models, consistently demonstrating behaviors and attitudes that reflect the standards in our Code
- Reinforce our Code and make sure employees understand the behaviors expected of them
- Create a positive work environment where employees are comfortable raising questions and concerns
- Act as "first responders" to address workplace situations that, if not properly handled, could escalate to Code violations or other more serious problems
- Promptly report actual or potential Misconduct to the Office of Ethics
- Never take—or allow—any retaliatory action against someone for making a good-faith report of suspected Misconduct

Supervisors also have a distinct role at the Bank in managing employee concerns. Our supervisors are responsible for maintaining good working relations and an atmosphere of respect. They not only provide employees with appropriate advice and guidance, but also should make themselves available to listen and respond to any work-related questions or complaints employees may have. Workplace conflicts should be addressed proactively and, as much as possible, resolved at an early stage in a sensitive and impartial manner. Supervisors may wish to be assisted in this endeavor by a representative of the Human Resources Department or the Ombudsperson.

Ethical behavior starts with our supervisors. Leading by example is the best way to inspire ethical behavior in others and maintain a positive, productive work environment.

"Supervisor," ***in the context of this Code, means any staff member with a Grade 4 or above who has employees reporting to him for the purposes of employee performance management.***

Showing Respect for Our Colleagues

6. Respect in the Workplace

We strive to create a positive, professional work environment in which we are all treated with respect and dignity. Given the Bank's diverse workforce, we must all show respect for those around us—both our colleagues and other individuals on the Bank's premises or performing services for the Bank. We also aim to conduct ourselves in a manner that does not negatively reflect upon the integrity, public image, or interests of the Bank. We are all accountable for our own actions. As such, we take responsibility for conducting ourselves in a professional and respectful manner and for both raising any concerns we may have about disrespectful behavior we encounter, and taking steps to remedy any lapses in our own behavior. Disrespectful behavior such as insults, tirades, malicious and knowingly false statements about others, and verbal abuse is unacceptable and may constitute Misconduct.

7. Preventing Harassment

Harassment does not belong in a respectful workplace, and will not be tolerated at the Bank. Harassment is any unwelcome verbal or physical conduct that interferes with work or has the purpose or effect of creating an intimidating, hostile, or offensive work environment. Such behavior interferes with our abilities to perform at our best and can adversely affect an individual's employment opportunities. Harassment can take place in different settings, in or out of the formal workplace.

Harassment generally consists of a pattern of incidents, though a single incident can be considered harassment if it is so severe that it has a significant negative impact on the individual or the work environment. Disrespectful behavior can also rise to the level of harassment if it is repeated. Harassment of any kind is unacceptable and should be addressed immediately. We all have a responsibility to communicate clearly to our colleagues about any behavior we find objectionable and to ask that it stop and to seek assistance if the behavior persists.

Examples of harassing conduct include the following:

- Severe or repeated insults related to personal traits or professional competence
- Negative stereotyping, epithets, or slurs
- Threatening, insulting, or hostile comments or acts
- Denigrating jokes, displays, or circulation in the workplace of written or graphic material that belittles or shows hostility toward an individual or group
- Intimidation, including physical or verbal abuse
- Behaviors directed at isolating or humiliating an individual or a group, such as being wrongly excluded from meetings, or unfairly denied information or equipment necessary to perform one's job
- Adverse actions taken or threatened against an individual or group for opposing or refusing to take part in Misconduct
- Unjustified adverse employment actions, such as being removed from a work project or denied benefits without valid business reasons
- Condescending comments related to personal beliefs, values, and ideology

Sexual harassment is a type of harassment that includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. Sexual harassment may include a range of behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include the following:

- Invitations to social activities or dates, if they persist after the recipient has made clear that they are not welcome
- Sexual jokes and innuendo
- Comments about an individual's body, sexual prowess, or sexual deficiencies
- Touching or other unwelcome physical contact
- Insulting or obscene comments or gestures
- Display or circulation in the workplace of sexually suggestive objects or pictures
- Any situation where submitting to or rejecting a sexual advance is used, implied, or threatened to be used as the basis for making employment decisions

Disrespectful and harassing behavior has no place at the Bank. If you feel that you have experienced or observed any such behavior you are encouraged to bring these concerns forward and such reports will be taken seriously and dealt with promptly.

Supervisors can play a special role as follows:

- ***By communicating that disrespectful behavior and harassment will not be tolerated***
- ***By ensuring that individuals who do raise concerns are supported and do not suffer retaliation***
- ***Never excusing or minimizing inappropriate behavior***
- ***When necessary, by bringing complaints and concerns to the attention of the Office of Ethics***

8. Appropriate Use of Authority

Those of us who have been entrusted with authority over others at the Bank have a special responsibility to use this authority wisely. Even those of us who are not formal supervisors must take care that we do not misuse our authority or Bank positions for purposes that are not appropriate, either internally or with our business partners.

Examples of abuse of authority include the following:

- Bullying or harassing behavior
- Interfering with another person's ability to work effectively, such as by impeding access to information or resources
- Asking subordinates to perform personal favors or tasks
- Habitually making unreasonable work demands
- Using your Bank credentials or position to get special attention or treatment

9. Avoiding Discrimination

The Bank respects and values the diversity reflected in our various backgrounds, experiences, and ideas. Maintaining a workplace free of discrimination is a paramount duty that we all share. We must be dedicated to providing an inclusive work environment that fosters respect for all of our coworkers, clients, and business partners, and one that reflects the diversity of the communities in which we operate. We do not wrongfully discriminate against anyone on the basis of nationality, race, gender, religion, age, sexual orientation, disability, social status, or political orientation.

10. Workplace Violence

The Bank's greatest asset is its people, so having a safe workplace is a key priority. The Bank seeks to provide a safe work environment for all employees where workplace violence is not acceptable. Violence in the workplace may also constitute a crime in the Bank's member countries, and the Bank may refer individuals who commit or threaten to commit violence, including threats or acts of domestic violence, to national authorities.

Workplace violence is any action, incident, or conduct that reasonably causes you to fear for your personal safety or the safety of your coworkers, family, friends or property. Workplace violence can take place on Bank premises or offsite in certain circumstances and can include the following:

- Physical assault
- Threatening physical or aggressive contact directed toward another individual
- Threatening an individual or his family, friends, associates or property with harm
- Intentional destruction or threat of destruction of Bank property or another's property
- Harassing or threatening phone calls
- Stalking
- Intimidation or veiled threats of physical harm

10.1 Domestic abuse

Domestic abuse can also be a serious threat to our health and safety and that of our households and, as such, it is not tolerated by the Bank and it is also considered Misconduct under this Code. Similarly, if any of us are victims of domestic violence we are urged to seek help both through local authorities as well as resources offered to us through our Human Resources Department.

Maintaining Our Loyalty and Impartiality

11. Conflicts of Interest

Some of the most common types of ethical risk issues we are likely to face are conflicts of interest. A conflict of interest is a situation that creates a conflict between our personal interests and the interests of the Bank or its clients. Such scenarios undermine our commitment to our Code and our duties as international civil servants. We all share the responsibility for keeping our organization free of the harm that can arise from real or perceived conflicts of interest.

To help achieve this end, all of us must avoid any situation involving a conflict (or the appearance of a conflict) between our personal interests and our responsibilities towards the Bank. Whenever a potential conflict arises, personal interests must yield to the best interests of the Bank. An apparent conflict of interest may be as serious as a real one.

Conflicts of interest can take many forms. The sections that follow refer to some of the most common conflicts of interest and provide guidance for dealing with them. If you face a conflict of interest, you should seek guidance from the Office of Ethics or one of the other resources identified in the section "Obtaining Further Guidance on Ethics and Conduct Issues."

11.1 Personal views of employees

As international civil servants, we have special obligations to the Bank, which require us to support and carry out institutional decisions, even if they conflict with our personal views. We have the right to express dissenting opinions within the Bank and may request that our supervisor or the Office of Ethics make a record of those views. In special circumstances, we may also make a request to our supervisor and/or the Ethics Officer to be relieved from duties that directly contradict our personal, religious, or moral beliefs.

11.2 Financial conflicts

We are all free to manage our personal financial affairs as we see fit. However, some financial interests may improperly influence—or could be perceived by others to influence— the performance of your job at the Bank. We must all avoid real or apparent conflicts between our personal financial interests (or those of our immediate family) and the interests of the Bank, so that we do not compromise the independence of judgment or action required in the performance of our Bank duties.

"Financial interest" *means any right to receive interest, dividends, capital appreciation, fees, or other payment or monetary benefit.*

The following acts, in particular, could pose a financial conflict of interest:

- Short-term trading in securities issued by the Bank (although we may have an interest in Bank-issued securities)
- Having a financial interest in a loan made by the Bank
- Having a financial interest in an entity engaged in a financial transaction or other financial or supplier relationship with the Bank

This includes any financial interests in borrowers, lenders, or suppliers of the Bank, or executing agencies of a Bank-financed activity that could reasonably be seen as influential to the decision making. If there is any possibility that these interests could be a source of conflict of interest from the time the transaction or relationship begins until the time the transaction or relationship is terminated, we should disclose the situation, regardless of whether or not we are personally involved in such a transaction or relationship. If you have any doubts, consult the Office of Ethics.

In addition, if you become aware that a member of your immediate family has any of the above-mentioned financial interests, you should report it to the Office of Ethics at once. "Immediate family" includes your spouse, domestic partner, dependent child or children, and any other member of your family who may be considered a dependent.

11.3 Running for, or holding public office and other political activities

Many of us have a legitimate interest in the civic and political affairs of the communities to which we belong. However, to preserve the independence and impartiality of our status as international civil servants and to avoid interference with our duties at the Bank, we may not participate in partisan political activities that imply candidacy, or accept an appointment to public office or to a political party position while we are employed at the Bank. Before participating in such activities, we must resign our position with the Bank. Similarly, if you need advice as to whether any other type of activity is too overtly political, you should seek guidance from the Office of Ethics.

11.4 Outside occupations and non-political activities

The Bank recognizes that some of us may wish to pursue outside activities from which we may derive income. However, when such activities involve another authority, conflicts of loyalty may arise.

Unless otherwise specified in our employment contract, we may engage in non-political occupations or activities if we observe the Core Values and adhere to the following guidelines designed to prevent conflicts with our responsibilities as Bank employees. An appropriate outside occupation or activity meets the following tests:

- It does not interfere with our duties and responsibilities to the Bank
- It does not violate local laws or applicable immigration rules
- It does not compromise our impartiality as an international civil servant
- It is not contrary to the Bank's mission
- It is undertaken in an individual capacity and not as a Bank employee

11.5 Former and subsequent employment

Conflicts of interest may also result from our dealings with a former or prospective employer, or a former employee dealing with the Bank. We are all urged to contact the Office of Ethics if we have questions about former, prospective, or subsequent employment.

Former Employment. Except with the authorization of the Office of Ethics, we may not participate in decisions affecting a former employer for a period of five years after accepting employment with the Bank. After the five year period, if there is still a possible real or perceived conflict of interest, we should consult with the Office of Ethics before doing any work related to the former employer.

Prospective Employment. We must not allow the performance of our duties to conflict with, or be affected by, possible or prospective outside employment. In addition, we must resign from the Bank prior to becoming an official candidate or being elected or appointed as an Executive Director or Alternate Executive Director of the Bank.

Subsequent Employment. Except with permission from the Office of Ethics, once we have left the Bank, we may not work on behalf of any entity that does business with the Bank, or is negotiating to do business with the Bank, on any project, transaction, or initiative that we personally and substantially participated in while employed by the Bank. This restriction holds true for four years following termination of Bank employment.

11.6 Family and personal relationships

Relatives of employees as defined in Bank policy (*Staff Rule PE-315 Annex 1 – Eligibility Criteria*) are not eligible to be hired as Bank employees. Employees already working for the Bank who become related to one another through marriage or domestic partnership are required to make this relationship known to the Office of Ethics.

Employees must be conscious of personal relationships in the work environment. None of us may directly or indirectly supervise a relative, as this could give rise to the appearance of favoritism. If two employees in a supervisory relationship become related while in Bank service, one of them will be reassigned. In addition, we may not participate in any employment-related decisions concerning a relative or an individual with whom we have an intimate relationship, including assignments of duties, evaluation of performance, awards of merit pay, and any other actions inherent in the employment relationship. In cases of doubt, seek the guidance of the Office of Ethics.

"Relative," *for the purposes of the "Conflicts of Interest" section of this Code, means an individual related to an employee up to the fourth degree of relationship by blood (consanguinity) or by adoption, or up to the second degree of relationship by marriage or domestic partnership (affinity). This includes a spouse, domestic partner, mother, father, brother, sister, child, uncle, aunt, nephew, niece, (son-daughter-brother-sister)-in law, grandparent, great grandparent, great-great grandparent, grandchild, great grandchild, great-great grandchild, first cousin, step-(parent-children-brother-sister), (parent or grandparent)-in law, and spouses of brothers-in-law or sisters-in-law, great (grandchild-uncle-aunt-nephew-niece-grandparent).*

11.7 Procurement and contracting

Favoritism toward a supplier, client, or consultant can also undermine confidence in the Bank and must be avoided. If you, your immediate family, or a friend have a personal stake in an entity that contracts with or has been hired by the Bank to provide goods or services, it can create a conflict of interest.

If you find yourself in that situation, you must not use your position to influence the bidding process or negotiation in any way. If you are directly involved in supplier selection in any way, notify your supervisor immediately and remove yourself from the decision-making process. Those of us who are engaged in procurement and contracting activities who have any outside interest, financial or otherwise, including that of nationality, that might conflict or appear to conflict with the procurement interests of the Bank must disclose this circumstance and seek advice from the Office of Ethics.

11.8 Receipt of honors

Receiving an honor from an organization outside of the Bank may represent a potential source of conflict. For this reason, we may not accept personal honors in recognition of our official duties at the Bank from any external entity without first obtaining authorization from the Office of Ethics. If it is not possible to obtain such prior authorization, and refusal to accept the honor would cause offense or embarrassment to either the entity bestowing the honor or the Bank, you may accept the honor on behalf of the Bank and promptly report its receipt to the Office of Ethics.

We may accept honors awarded in recognition of activities unrelated to our work at the Bank, except in cases where the offer of an honor could appear to compromise our independence or impartiality.

12. Gifts and Favors as a Source of Conflict

At times, business gifts and entertainment are offered to show appreciation, courtesy, and to build relationships between the Bank and our partners. However, a conflict can easily arise if these courtesies suggest that favorable treatment was given or received, or are otherwise used to influence a business decision. For this reason, we may only give or receive gifts, meals or entertainment from existing and potential clients or other business partners if they are as follows:

- Of nominal value (and in no event greater than US$200 equivalent)
- Infrequent
- Unsolicited
- Not cash or cash equivalents (such as gift cards)
- Consistent with generally accepted business practices and ethical standards

We may accept discounts for events to be attended with the Bank's permission and for which the Bank would otherwise cover the cost. We may also accept meals or local transportation and related amenities of insignificant value associated with Bank business, so long as acceptance would not compromise our judgment in any way. We may never accept or offer gifts or entertainment if doing so would appear to call into question our integrity or relationship with the person offering or receiving the gift.

"Gifts or favors" include loans, discounts, options, services, entertainment, raffle tickets, transportation, meals, lodging, and any tangible object or in-kind service having monetary value.

If an offered gift or favor is of significant value, but refusal to accept it would cause offense or embarrassment to either the donor or the Bank, you may accept the gift on behalf of the Bank. In such cases, report the gift promptly to the Office of Ethics.

What Should I Say?

It can be hard to know how to refuse a generous gift. Try one of these lines:

"I'm so sorry, but the IDB's gift policy doesn't allow me to accept this. Thank you very much for thinking of us."

"This is so generous. I wish our policy allowed me to accept it, but I'm afraid I have to decline."

"We appreciate your offer, but we just can't accept your kind invitation. As you can imagine, the IDB has very strict rules about this sort of thing, but we look forward to seeing you at our next meeting."

13. Corruption as a Source of Conflict

All Bank employees are expected to carry out their duties with integrity. As such, employees are prohibited from taking part in Prohibited Practices and other forms of workplace fraud, corruption, or theft, as such actions directly conflict with our Core Values and with the performance of our obligations to the Bank. To ensure we maintain our impartiality in every transaction, we must never solicit, give, or accept any payments, services, hospitality, or favors in exchange for influencing—or seeming to influence—any decisions affecting our duties, whether in the private or public sector. Similarly, we may not retain a third party to engage in any activity that we are prohibited from participating in ourselves.

14. Disclosing Conflicts of Interest

If a conflict or a situation that could potentially be a conflict arises, you should disclose it to your supervisor and seek guidance from the Office of Ethics. The Office of Ethics can offer advice to avoid entering into a conflict or, if a conflict is already identified, can help you to deal with it proactively, to prevent the situation from escalating into an allegation of Misconduct.

15. Declaration of Interests Program

In order to help us identify a prohibited interest that might affect our judgment in the performance of our duties, we are all required to participate in an annual Declaration of Interests program. As part of this program, certain employees, as designated by the Office of Ethics, file a Declaration of Interests form for themselves and immediate members of their family, while other employees complete an Affidavit. As part of the program, we all annually certify our compliance with this Code.

The Office of Ethics is responsible for determining what information will be disclosed and the manner and procedure of disclosure consistent with the provisions and obligations of the Code.

When completing these forms, we must provide the Bank truthful, accurate, complete and timely information. Knowingly misrepresenting or omitting facts, providing inaccurate information, failing to file, or failing to file in a timely fashion are all violations of this Code.

The Declaration of Interests program forms must be submitted to the Office of Ethics, which will review and maintain confidential records of the documents.

Working With Discretion and Integrity

16. Appropriate Use of Information

Integrity and discretion guide our actions when we provide information to others, both within and outside the Bank. In all situations where we provide information to the Bank or to others about the Bank, we must never intentionally misrepresent the truth. We must provide the Bank with truthful, accurate, and timely information when performing our duties and in other situations where disclosure of information is required.

16.1 Making public statements

In order to allow the Bank to speak with one clear voice, we do not make public statements on behalf of or about the Bank unless we are specifically authorized to do so. Note that public statements also include opinions expressed or information on behalf of or about the Bank shared on the internet (see Section 18 below for details). Similarly, only designated representatives may communicate with the press on the Bank's behalf. If this is part of your role, remember that when you are speaking with the press regarding Bank matters, you are speaking on behalf of the institution and must avoid making personal references or expressing personal views.

16.2 Personal use of information

When we use information we obtain in the course of our employment at the Bank, we should adhere to the Bank's *Access to Information Policy*, our Core Values, and the following specific guidelines.

Publicly Available Information. Information obtained in the course of our official duties may be used for personal purposes or for the benefit of others only if the information is available to the general public.

Copyrighted Information. The Bank owns the copyrights for all material that we produce as part of our official duties and, therefore, has the sole right to publish or use such work in the manner it deems appropriate. If we wish to publish or use material not produced as part of our Bank duties, but which deals with the Bank, we must obtain prior authorization from the Office of Ethics. Additionally, we respect the copyrights of others. We all have the responsibility to comply with the law, or make inquiries in case that are unclear, when reproducing or transmitting printed or electronic literary works provided to us by the Bank.

16.3 Safeguarding confidential and non-public Bank information

We all have a duty to protect the confidentiality of the information entrusted to us as Bank employees, both inside and outside of the workplace. Only share non-public information with other Bank employees on a need-to-know basis, and never disclose such information outside the Bank without prior approval. We may not access any confidential information (or information we should know is confidential) or share such information with any unauthorized recipients.

Confidential or non-public information includes the following:

- Details from personnel files
- Information concerning investigations
- Personal financial information
- Disciplinary actions
- Non-public documents, including proposals from contractors and vendors
- Sensitive country data

These obligations remain in force even after we no longer work for the Bank.

16.4 Handling inside information

To protect our integrity as international civil servants, we must not use (or provide to others for their use) any confidential or proprietary information to which we may have access because of our work at the Bank for our own financial benefit. Doing so is called insider trading, and it violates our Core Values as an institution.

"Inside," or material non-public, information is any market-sensitive information that, when disclosed, is likely to have a material impact on the value of either Bank securities or the securities of the Company or other issuer to which it pertains. Information is considered non-public or undisclosed until the market has had adequate time to absorb its public release, generally two full trading days. If you have any questions as to whether the information you possess qualifies as inside information, please consult with your supervisor or the Office of Ethics.

17. Appropriate Use of Bank Property

As a publicly funded financial institution, it is especially important that we treat our property with care. We all have a duty to protect and conserve Bank property, especially when it has been entrusted or issued to us by the Bank. This means we use such property appropriately, and only for business purposes. We may not use or allow the use of Bank property for unofficial activities without specific authorization, except as described in Section 17.3 below.

17.1 Use of the Bank's physical and financial assets

The Bank's property includes physical and financial assets such as its facilities, Bank-issued equipment, supplies, computers, and funds. We are trusted to use these assets in the best interests of the Bank and our stakeholders, meaning that we never misuse petty cash, procurement funds, or credit cards issued to us in the course of our work. We use these assets to carry out our jobs, so we have a responsibility to safeguard them from loss, damage, theft, or misuse.

Keep in mind that we may engage in activities involving use of Bank premises for appropriate recreational, educational, or other personal activities during non-working hours, subject to the availability of the facilities that have been designated for such purposes. If you are unsure if the activity you have in mind is appropriate, consult with the Office of Ethics.

17.2 Intellectual Property

The Bank's intellectual property ("IP") is another valuable asset and we must take great care to protect the Bank's IP rights at all times. IP includes copyrights, patents, trademarks, design rights, logos, and brands. It also includes the Bank's name and symbols. For more information on the proper use of the Bank's name, logos and symbols, see *AM-102 "Norms for the Use of Symbols and the Corporate Identity of the Bank"*.

Remember that when we create work as part of our Bank job, using Bank resources, or on Bank time, the intellectual property rights belong to the IDB.

We are also expected to respect and be responsible users of the intellectual property of others. As such, when using any materials subject to intellectual property rights protection we must take care to properly cite sources, recognize the work of others, and obtain permissions when needed, to avoid the inappropriate use of any such materials, such as plagiarism or infringement, which is considered Misconduct under this Code.

17.3 Use of the Bank's computer systems, devices, and internet access

Bank property also includes its computer systems, hardware, software, email, Internet access, phones, and all other electronic communication and information storing devices.

We may use the Bank's electronic systems and equipment for personal use, so long as it:

- Does not interfere or conflict with our job duties
- Is not connected with illegal or wrongful acts
- Does not adversely reflect upon the integrity, public image, or interests of the Bank

We are responsible for the professional, ethical, and lawful use of Bank equipment. The creation, downloading, viewing, storage, copying, or transmission of material that is sexually explicit or advocates or depicts racial, ethnic, religious, or other forms of discrimination is prohibited. We are expected to exercise sound judgment in the use of Bank property at all times, taking into account the possibility that the use and transmission of certain material may offend or cause discomfort to others. It is also important to remember that we do not have an expectation of privacy in our use of Bank equipment or systems, though the Bank does not as a matter of practice routinely monitor our computer or other equipment use.

18. Appropriate Use of Social Media

The Bank understands that social media—including social networking sites such as Facebook® and microblogs such as Twitter®—has a growing presence in many of our lives. These tools can even afford us new and innovative ways to engage with our stakeholders, and at times, we may use social media for personal reasons on Bank-supplied technologies. In using social media tools - whether IDB-affiliated or otherwise - we must keep the following guidelines in mind:

- Always protect the Bank's assets, reputation, and confidential information, keeping in mind that the Internet is a public place
- Do not post any official information about the Bank without prior authorization from the Office of External Relations
- Use our Code as a guide in making ethical decisions
- Follow Bank policies and standards in our use of technology, whether we are posting as an authorized Bank representative or using social media or social networks in our personal capacities

19. Accurate Reporting and Record Keeping

Our books and records must fully and accurately reflect our business transactions at all times. We always keep these records in accordance with our system of internal controls, as well as applicable financial and accounting standards. For example, we cannot make false claims on expense or insurance reports, falsify quality or safety results, manipulate data, understate or overstate known liabilities or assets, or defer the recording of items that should be expensed.

19.1 Record management, retention, and disposal

Because managing our records is such a critical component to building trust with our clients and shareholders, we have policies that instruct us in how records should be managed and when we may dispose of them. For more information on these policies, contact the Archives and Records Management Section of the Budget and Administrative Services Department. We all must follow the records management policies and retention schedules in the locations where we operate. If you believe that anyone has improperly concealed, altered or destroyed a record, you should report it to the Office of Ethics.

20. Corporate Responsibility and Human Rights

The Bank believes in being a good corporate citizen, both in how we conduct our projects and how we do business internally. To that end, we strive to minimize our institutional environmental impact through our Corporate Environmental and Social Responsibility (CSR) initiative, which promotes environmentally conscious practices in the workplace. Likewise, the Bank maintains an official community outreach program – the IDB-DC Solidarity Program – that encourages charitable giving and staff volunteerism. The Bank is also committed to respecting individual human rights and does not tolerate the use of forced labor or human trafficking practices.

Obtaining Further Guidance on Ethics and Conduct Issues

21. People to Consult

The Ethics Officer and professional staff of the Office of Ethics are responsible for receiving consultations and requests for interpretation of the Code, receiving allegations of Misconduct as described in the Code, and supporting the interpretation, implementation, and enforcement of the Code. The President appoints the Ethics Officer.

The Ethics Officer may act on his own initiative, at the request of any employee or other Bank officer, or on the basis of information provided by any party.

You may seek advice or report an allegation by directly contacting the staff of the Office of Ethics by phone, by email or in person. You can also address questions or concerns to: *ethics@iadb.org*. You may also use the confidential Ethics Helpline at (202)-623-3007 or 877-354-4037 (toll free in the US), by using a local toll free number available in each of the Representations, or through the ethics website at *http://ethics.iadb.org*.

22. Policies and Documents to Consult

Our Code is supported by a set of procedures that describe the functions of the Ethics Officer and outline the processes to be followed to ensure fairness in cases of alleged Misconduct. These procedures cover the following topics:

- Receiving consultations and allegations
- Investigating alleged Misconduct
- Decision-making
- Implementation of decisions, including remedial actions or disciplinary sanctions

In addition, it may often be helpful to consult other Bank documents and policies, rules, regulations, and guidelines. Some of the most relevant documents and policies are:

- The Agreement Establishing the Inter-American Development Bank, especially Article VIII, Sections 5 (d), (e) and (f)
- The Principles of Human Resource Management of the Bank and, particularly, all existing Bank policies and documents dealing with Duties, Obligations and Privileges of Bank employees, including Staff Rule PE-328 "Whistleblower Reporting and Protection"
- Bank policies and guidelines supporting the Bank's systemic framework against fraud and corruption
- Bank Staff Rules, Administrative Policies, and other Bank Manuals
- The documents and policies with respect to the Ombudsperson
- The documents and policies with respect to the Labor Relations and Conflict Resolution Mechanisms.

Examples

This information supplements the IDB Code of Ethics and Professional Conduct and is meant to illustrate the application of the Code to frequent situations or dilemmas. It is not intended to replace specific guidance offered by the Office of Ethics or create expectations regarding any particular interpretation of the Code, but rather to demonstrate how the values and guidelines of the Code can be applied in practice.

General Principles

Q: I have received a copy of the Code of Ethics and Professional Conduct. What should I do with it?

A: Read the Code carefully and familiarize yourself with its principles and content. This is both your responsibility and in your interest. Knowing the rules can help you avoid any situation which may be a problem as well as help you if you encounter Misconduct by others which affects you. It is also useful to keep the Code handy so that you can refer back to it if you need to.

Q: Is it true that behavior even outside of work can be Misconduct under the Code?

A: Yes. The Bank does respect our individual privacy, however it is expected that we hold ourselves to the highest standards of conduct, even in our personal lives, to protect our reputation and that of the Bank. Further, certain specific behavior, such as failure to observe national laws, may also constitute Misconduct under the Code.

Application of the Code

Q: I am working at the Bank through an employment agency. Do the concepts related to respect in the workplace described in the Code also apply to how people should treat me?

A: Yes. All individuals working with the Bank are expected to be treated with respect and dignity, including employees of outside firms, executing agencies, and other partners and stakeholders. The employees of service providers, however, are subject to their own firms' rules of conduct, not the IDB's.

Seeking Guidance and Reporting Misconduct

Q: I have been asked to write an article for a prestigious journal having to do with my IDB field of expertise and am not sure if this is allowed or not. What should I do?

A: Since this type of activity may represent a conflict of interest it is important that you consult with the Office of Ethics before proceeding. You will receive specific advice as to how to manage this situation to protect both yourself and the Bank. While most of the

time external activities such as these are permitted, it is always better to consult with the Office of Ethics than to act alone.

Q: I am a supervisor and one of my employees told me about something that happened to them that may be a violation of the Code. Do I need to escalate this?

A: Yes. The Code of Ethics establishes that supervisors have a duty to report Misconduct, either that they experience or suspect themselves, or that has been disclosed to them by an employee. You should raise the matter with the Office of Ethics and they will work with you to determine if this is indeed something that they should investigate, or if it can be handled in another way.

Fraud and Corruption

Q: I am reviewing some invoices from a project I am working on that include charges that I feel are suspicious, and may even be bribes paid to public officials to obtain permits needed for the project. What should I do?

A: You should report this immediately to the Office of Institutional Integrity. The IDB does not tolerate bribery under any circumstances, and any potential fraud or corruption in Bank-financed activities is taken very seriously and must be promptly reported.

Q: I suspect that a colleague of mine is hiring individual consultants and then requiring them to pay him part of their fees as a kind of a commission. Is this allowed?

A. No. This is a type of "kickback" and is strictly prohibited. Since it involves a Bank employee you should report it to the Office of Ethics, who can investigate if needed. IDB employees cannot accept any benefit for themselves or others in exchange for any act or omission related to the performance of their official functions, and the Bank pursues these matters fully.

Whistleblowing and Retaliation

Q: Which of these scenarios may be whistleblowing or whistleblower retaliation?

- **I notice that a colleague seems to be submitting false expense reports and I inform her supervisor, who notifies the Office of Ethics so that the case can be investigated.**
- **I am taken off an important project and given menial tasks as a consequence of my reporting of a possible case of fraud to the Office of Institutional Integrity.**
- **I am removed as project manager after I realize and disclose that my cousin is the owner of the firm that will be the IDB's counterpart on the project**

A: Situation 1 is a case of whistleblowing because you are reporting information about a possible violation, and the supervisor handled your report correctly. In scenario 2, you are also a whistleblower for notifying the Office of Institutional Integrity about the possible fraud, but unfortunately, you may be experiencing whistleblower retaliation. You should go to the Office of Ethics to report this situation.

Though situation 3 sounds similar to 2 at first, you are not a whistleblower and are not being retaliated against. You have properly disclosed a potential conflict of interest. After considering the situation and possibly consulting the Office of Ethics, your supervisor has decided that the right course of action is to remove you from the project to avoid the appearance of a conflict.

Fair and Respectful Treatment

Q: I usually get along well with my supervisor, whom I respect professionally very much. My work has also always been appreciated and I have received excellent performance reviews. However, my supervisor does have a bad temper and sometimes gets aggressive when under pressure and yells at other employees. This bothers me but I don't want to report it because I don't want to see anyone get in trouble, or have it negatively affect me.

A: Such behavior is disrespectful and could be considered harassment or abuse of authority. You should speak with your supervisor and discuss the fact that this behavior makes you uncomfortable. If you prefer, you may choose to address the issue with your Department Manager. While we are all under pressure, this is not an excuse for unprofessional behavior. If you are negatively affected for raising this issue, you should bring this up as possible retaliatory behavior. If the behavior does not stop, seek guidance from HRD, the Ombudsperson, or the Office of Ethics.

Harassment and Discrimination

Q: One of my colleagues is very religious and I have heard her make negative comments to and about another co-worker, who is of a different faith, about his religious beliefs. I recently started noticing that he is being left out of meetings and even social events, like office birthdays. I think this is wrong and have spoken to the colleague, but she says everyone has the right to their own beliefs.

A: While it is true that the Bank respects people's individual beliefs, it is not okay to isolate or humiliate an individual or group if they do not share your beliefs. It is also never acceptable to make negative comments or judgments about someone else's religion. To do so may be harassment or discrimination, which are considered Misconduct by the Code. You need to report this behavior to your supervisor, who may also seek the help of others to manage this problem.

Q: My co-worker is always asking me to do things with him socially, like go out for drinks or for hikes on the weekend. I have never accepted and it is starting to make me feel uncomfortable. If he insists, could this be sexual harassment, even though he is not my boss?

A: Yes. Repeated invitations after you have made it clear that they are not welcome may constitute harassment, and the person involved does not need to be your supervisor, though the situation is clearly more serious when it involves an authority figure. You should be very clear with this colleague that you expect this to stop and if the behavior still persists, report it to the Office of Ethics.

Appropriate Use of Authority

Q: My supervisor frequently gives me work assignments at the end of the day, asking that they be completed by the next morning. This often requires that I work late into the night, or sometimes even all night. When I raised this as a problem, he told me that this is what it takes to get ahead.

A: Your supervisor may be abusing his authority by requiring you to habitually comply with unreasonable work demands and insinuating that you will not advance in your career unless you fulfill these demands. You should discuss the situation with your supervisor's immediate supervisor, your HR Business Partner, or the Ombudsperson. You may also wish to discuss the matter with the Office of Ethics. If the situation is not corrected, or worsens, it may constitute Misconduct under the Code.

Q: I am an Administrative Assistant who recently moved to a different area in the Bank. One of my new colleagues told me that in the past when our supervisor went on mission, the former assistant took care of his dog and paid his bills. What should I do if he asks me to continue that practice?

A: This supervisor should not use his position to obtain personal favors. You are under no obligation to continue the practice and you can respectfully tell your supervisor that you prefer not to get involved in his personal matters. If this leads to conflict, you may wish to raise the matter with your Manager, HRD, or the Office of Ethics. You may also consider seeking the assistance of the Ombudsperson.

Domestic Abuse

Q: A colleague of mine has confided in me that she is being domestically abused. What should I do?

A: You should encourage your colleague to contact the Bank's Domestic Abuse Prevention Coordinator who can make resources available to her to help in this situation. If she is reluctant to do so, you may wish to contact the Coordinator yourself to receive guidance and/or encourage her to otherwise seek help. If your colleague is in an IDB Representation, HRD will also find local services to support her.

Political Activities

Q: I am very excited about an upcoming election and want to raise awareness about one particular issue on the ballot that concerns me greatly. Is it okay if I talk to my colleagues about this issue, or pass out information about this issue at work?

A: Our professional impartiality is critical to our work at the IDB. Although discussing issues and current events is acceptable in most cases, we must never try to pressure our colleagues to vote a certain way, and distributing political materials in the workplace is not permitted. If you need specific advice on whether an activity could harm our impartiality, consult the Office of Ethics.

Q: I am very lucky to have a very successful career as an IDB Economist. This might be why my own government is considering naming me as the next Deputy Minister of Planning. I would like to take leave from the Bank to accept the position. Is this acceptable?

A: In order to accept a political appointment with your own national government, you should resign from your IDB position. This is to avoid any possible conflicting loyalties, as well as to preserve the independent nature and image of the Bank. While you are being considered for this position, it may also be worthwhile to consult with the Ethics Office to determine if there are any interim measures you need to take.

Gifts and Favors

Q: I have been involved in a working group which was also assisted by an outside consulting firm. Our report was just approved and the leader of the consulting firm wants to take us all out to lunch. May I accept this invitation?

A: Yes, since this invitation is to recognize the good work of the group and is considered part of customary business hospitality. If you are ever in doubt about invitations such as these, you can always consult with the Office of Ethics.

Q: I am expecting a baby and last week I asked a vendor that developed one of our systems to come to the office to discuss a few issues. I've known him for a long time and he told me he wants to give me his son's stroller, crib, and some other baby items he no longer has use for. Should I accept?

A: It is not a good idea to take these items, since they may be worth more than $200 and - more importantly - they are being offered to you by a Bank service provider with whom you have business relationship, which could be perceived as a conflict of interest. You should thank the individual but politely explain that Bank policy does not allow you to accept his offer.

Financial Conflicts

Q: I just joined the Bank and I have a small amount of shares of stock in a major bank that I worked for previously. I was informed by a colleague that this bank also has a business relationship with the IDB. Do I need to sell my shares?

A: Not necessarily. Just because you own shares in a company that does business with the IDB does not automatically create a conflict of interest, particularly if this is a large company and you have a small interest. However, if certain circumstances arise - like you are required to have regular contact with, or make decisions about, this bank as part of your IDB job - you may need to take precautions to avoid a conflict of interest. You should seek guidance from the Office of Ethics.

Outside Employment and Other Activities

Q: I have been invited to teach a course at a local university. Is this allowed under the Code?

A: Outside employment and other external activities, such as participating on boards, are generally permitted under the Code, though certain requirements must be met. The activity cannot interfere with your IDB duties and must be carried out in a personal, not official capacity, taking care not to share any confidential Bank information. The activity must also comply with applicable immigration rules, such as those pertaining to G4 visa holders, and must be in keeping with the mission of the Bank. Employees should always consult with the Office of Ethics and check with their supervisors when considering offers of outside employment - compensated or non-compensated - or when asked to participate in other external activities which may give rise to conflicts of interest.

Prospective Employment

Q: I have managed a major IT project for the IDB for some time and have developed a strong working relationship with the outside vendor, a software company. The CEO of this company recently asked me to consider coming to work directly for their company, to develop this same kind of business with other international organizations. Is this a problem?

A: **Yes. While Bank employees are free to pursue other employment opportunities, it is very important that we do not use our IDB work to actively seek such opportunities, particularly with partners with whom we are currently doing business. To do so may call into question our independence and integrity. Consult the Code provisions on former and subsequent employment and if you need additional advice, seek guidance from the Office of Ethics. It is particularly important that the prospect of future employment not influence how you carry out your current work, which is a risk here, since you manage this project.**

Family and Personal Relationships

Q: My cousin would like to apply for an internship in one of the Bank's Representations. Is this acceptable, since I work at Headquarters and it is just a temporary internship, not a permanent job?

A: No. Relatives of IDB staff members, as defined by Bank policy, are not eligible for Bank employment. This is true regardless of the position, subject areas, or geographic location. For more information, consult your HR Business Partner.

Q: I just started dating one of my co-workers. Is there anything special I need to know, or do?

A: The Bank recognizes that personal relationships occur in the workplace, but we must all take care that such relationships do not create an actual or perceived conflict of interest or other problems. The Code holds that you cannot participate in any employment-related decisions about someone with whom you have an intimate relation-

ship, such as assignment of duties or evaluations of performance. If you eventually get married or become registered domestic partners, you will need to make this known to the Office of Ethics. Relationships in the workplace can raise complex issues; in case of doubt, it is always best to seek guidance from the Office of Ethics.

Procurement and Contracting

Q: I am on a selection panel for a bid that the firm my wife works for is competing for. If they win, I know that she hopes to work on the project. Is it correct that there is no conflict of interest since she would not be a direct IDB employee, but rather, an employee of the firm?

A: No. If you are involved in a procurement decision that may ultimately lead to your wife's employment on the IDB project, this does present a conflict of interest. In this situation, you should disclose this to the selection panel and you or the panel chair may need to work with the Office of Ethics to determine how best to proceed.

Use of Social Media

Q: I am an Environment Specialist at the Bank and I would like to start an external blog on the internet on environmental issues. Is this permitted?

A: This may pose a problem since opinions posted on the internet are considered public statements, and the Bank has rules about such statements that you must take care to observe. Further, your opinions may be construed as positions of the IDB, given that this is your IDB area of expertise. You should seek guidance to see if this could be allowed and, if so, what guidelines you will specifically need to observe in order to run this blog. Finally, activities such as these cannot interfere with your regular work or be carried out during working hours, or using IDB resources.

Use of Bank Assets and Information

Q: I go on a lot of missions on behalf of the IDB and frequently use my laptop to check email and work on projects while I am waiting in airports as well as on planes and other public places. Does this pose a problem?

A: You simply must take care to be aware of your surroundings while working—or taking phone calls—in public places. Although working in these places is not necessarily a problem, you must remember that it can be hard to tell who may be listening or looking over your shoulder. You should also be careful to follow appropriate security measures such as logging off your laptop and storing it securely when you are not using it.

Q: A friend of mine forwarded me a joke that was really funny, but also sexually explicit. Can I forward it just to my friends in the Bank?

A: No. This would not be an appropriate use of the Bank's email facilities, which are intended for official communication. You can use email (and other systems) for personal purposes as long as this use is limited and occasional, it does not interfere with

you doing your job, and doesn't overburden the Bank's network. However, you must never use Bank resources to receive or send material that is offensive, sexually explicit, or may make others in the office feel uncomfortable.

Q: I have worked for the IDB for almost 14 years and due to my area of work, I have been trusted with an IDB P-card. While I was on mission, I used the card by accident to buy a few gifts for my family. After getting home, I made several more personal purchases on the card, figuring that as long as I had to reimburse the Bank for the gifts purchased, I could settle up for these items as well. Am I doing the right thing?

A: No. Although it's good that you know that you need to pay the Bank back for non-business related items bought using your P-card, you should have avoided this situation in the first place. Mistakes do happen, and it's always better to fix our mistakes than to try to hide them. You should have stopped using the card for personal items as soon as you realized your error.

Accuracy of Records

Q: My colleague is on vacation and my supervisor has asked me for information that my colleague usually maintains. Looking at these documents, I find that my colleague has made several claims that seem to be false. What should I do?

A: Bring these concerns to your supervisor or another resource listed in this Code. Any time we become aware of something that may be fraud, theft, or misuse of information, we are responsible for reporting it in order to protect the Bank's reputation. If there is a problem, the faster it is identified, the faster it can be stopped.

Declaration of Interests Program

Q: Why do I need to complete a Declaration of Interests form?

A: The Code requires that employees file disclosure of interests forms to ensure that we do not have any prohibited financial or outside interests that could present a conflict with our jobs. This program also helps raise awareness of our responsibility to conduct ourselves appropriately and reaffirms our commitment to the Code annually. These types of disclosure programs are considered best practices for public sector employees, in both multilateral organizations and national governments.

Q: What does the Bank do with the information I provide on my Declaration of Interests form?

A: The information is maintained in a confidential database kept in the Office of Ethics and the data included for each individual is encrypted by the application. The information is seen and reviewed only by authorized Office of Ethics personnel and is not provided to any third party outside the Bank. The information is also not shared as a matter of practice with internal parties, although it could be reviewed in the context of an ethics investigation.