

**BY-LAWS OF THE
INTER-AMERICAN DEVELOPMENT BANK**

These By-Laws became effective February 8, 1960 and have subsequently been amended, the latest amendment having taken effect on may 16, 1976. The text set forth below is a true copy of the By-Laws as amended to said date.

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These By-Laws are adopted under the authority of the Agreement Establishing the Inter-American Development Bank (hereinafter referred to as the Agreement), for the purpose of implementing the provisions of the Agreement.

In the event of a conflict between any provision in these By-Laws and the provisions of the Agreement, the provisions of the latter shall prevail. In the event of conflict between these By-Laws and any regulations adopted pursuant to the Agreement, the By-laws shall prevail.

SECTION 1. HEADQUARTERS AND OFFICES OF THE BANK

The principal office of the Bank shall be located in Washington, D.C., United States of America.

The Board of Executive Directors may authorize the establishment and maintenance of branches or agencies and the appointment of representatives.

SECTION 2. REPORT OF THE BOARD OF EXECUTIVE DIRECTORS

At each regular meeting of the Board of Governors, the Board of Executive Directors shall submit a general report on the operations carried out by the Bank, including a separate report on the activities of the Fund for Special Operations. In the general report, recommendations may be made to the Board of Governors on matters relating to the activities of the Bank.

SECTION 3. CONDITIONS OF SERVICE

- (a) Governors and their Alternates shall perform their duties without remuneration from the Bank. Their expenses incurred in attending meetings of the Board of Governors shall be paid by their respective countries.
 - (b) The remuneration of the President and the terms of his contract shall be determined by the Board of Governors.
 - (c) Each Executive Director and his Alternate shall devote to the activities of the Bank such time and attention as the interests of the institution may require, and one or the other shall be available at all times at the Bank's principal office. Salaries of the Executive Directors and their Alternates shall be fixed by the Board of Governors. When an Executive Director or Alternate devotes only part of his time to the Bank, his pay shall be established on the basis of the time he devotes to the institution. Each Executive Director, pursuant to provisions to that effect which must be included in the regulations of the Board of Executive Directors and upon approval by that Board, shall determine how much time his Alternate will devote to the Bank.
 - (d) Except as provided in (f) of this Section or as expressly determined by the Board of Governors, the Executive Directors and their Alternates shall not receive from the Bank, apart from their salary, any form of remuneration, such as allowances for housing, representation, and other expenses. The Executive Directors and their Alternates may participate in such insurance, medical, pension, and retirement plans as may be established for the staff of the Bank.
 - (e) When an Executive Director or his Alternate is unable to attend a meeting of the Board of Directors, the Executive Director may appoint a Temporary Alternate to take his place. When the office of the Executive Director is vacant, the Alternate may appoint a Temporary Alternate. The Temporary Alternate shall receive no salary or compensation for expenses.
 - (f) The Board of Executive Directors may, by regulation, make appropriate provision whereby (i) each Executive Director and Alternate Executive Director who, at the request of the President of the Bank, performs designated services for the Bank, shall be entitled to a reasonable allowance for expenses incurred by him in the performance thereof; and (ii) each Executive Director and Alternate Executive Director, but not a Temporary Alternate Executive Director, shall be entitled to reimbursement for reasonable expenses incurred by himself and his immediate family in connection with moving to the seat of the Bank during or immediately before his period of service; for moving from the seat of the
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Bank during, or immediately after his period of service; and with due regard to the length of time spent by him in the service of the Bank, for such travel to his own country on vacation as may be authorized.

- (g) During any period when an Executive Director or Alternate Executive Director performs duties in other international organizations, the total salary and compensation he receives from the Bank and other international organizations shall not exceed the maximum amount to which he would be entitled if he performed full-time duties in the single organizations providing the highest salary and compensation.
- (h) Any Executive Director or Alternate Executive Director, or any other person, who requests reimbursement or compensation from the Bank for expenses he has incurred in fulfilling a commission for the Bank, shall include in his request a statement to the effect that he has not received, nor will he request, reimbursement or compensation for such expenses from any other source.
- (i) In accordance with regulations established by the Board of Executive Directors the Bank shall provide such secretarial and technical services, office space, and other facilities as may be necessary for the performance of the duties of the Executive Directors and their Alternates.

SECTION 4. DELEGATION OF POWERS

The Board of Executive Directors is authorized by the Board of Governors to exercise all the powers of the Bank with the exception here of those reserved to the Board of Governors in Article VIII, Section 2(b) and other provisions of the Agreement. The Board of Executive Directors shall adopt no measure, by virtue of the powers delegated to them by the Board of Governors, that is inconsistent with any measure adopted by the Board of Governors.

SECTION 5. TAKING A VOTE WITHOUT CALLING A MEETING

When the Board of Executive Directors considers that an action, on which the Board of Governors must pronounce itself, cannot be postponed until the next regular meeting of the Board of Governors and does not justify calling an extraordinary meeting, the Board of Executive Directors shall transmit to each member, by any rapid means of communication, a proposal embodying the suggested action and shall request the vote of its governor on the matter. The votes shall be submitted within a period to be established by the Board of Executive Directors. At the expiration of the period prescribed for voting, the Board of Executive Directors shall notify all the members of the results of the voting. A proposal shall not be considered voted upon unless the number of replies received represents a quorum pursuant to Article VIII, Section 2 (e) of the Agreement.

SECTION 6. SPECIAL REPRESENTATION OF MEMBERS AT MEETINGS OF THE BOARD OF EXECUTIVE DIRECTORS.

At the time a member submits a request that has to be considered by the Board of Executive Directors, and it wishes to have its views expressed at the meeting through a representative other than its Executive Director, it shall so inform the Bank and it shall appoint such special representative. In case the special representative, having been duly informed of the time of the meeting, is not present at the meeting, this right shall be considered to have been waived.

When the Board of Executive Directors is to consider any other matter especially affecting a member, it shall duly inform the latter, through the most rapid means of communication, of the date set for taking up the matter. The Board of Executive Directors shall adopt no definitive decision concerning a matter especially affecting a member, and such a matter may not be submitted to the Board of Governors until the member has been given a reasonable opportunity to present its views and be heard at a meeting of the Board of Executive Directors. Any member may waive this right, and it shall be considered to have been waived if a representative of the member is not present at the meeting designated for taking up the matter.

SECTION 7. VACANCIES ON THE BOARD OF EXECUTIVE DIRECTORS

When a new Executive Director must be elected because of a vacancy requiring an election, the procedure established in the Regulations for the Election of Executive Directors shall be followed.

SECTION 8. RULES AND REGULATIONS

The Board of Executive Directors is authorized by the Board of Governors to adopt such rules and regulations, including financial regulations, as are necessary or appropriate to the direction of the business of the Bank.

SECTION 9. FISCAL YEAR

The fiscal year of the Bank shall begin on January 1 and end on December 31 of each year.

SECTION 10. BUDGET AND AUDITING OF ACCOUNTS

The accounts of the Bank shall be audited at least once a year by outside auditors selected by the Board of Governors. On the basis of the audit, the Board of Executive Directors shall submit to the Board of Governors for approval at its regular meetings a financial statement of the organization, including the balance sheet and a statement of profit and loss. A separate financial statement shall be submitted for the Fund for Special Operations.

The annual audit shall be comprehensive with respect to the examination of the financial records of the Bank; it shall include such proof as the auditors deem appropriate that the financial transactions carried out during the period under review have been duly authorized, and it shall determine that the assets of the Bank have been adequately and faithfully accounted for. For this purpose the auditors shall have access to all the accounts and records of the Bank and to all other supporting evidence of its financial transactions. The management of the Bank shall furnish to the auditors such additional information as they may require and the auditors shall respect the confidential nature of their service and of the information made available to them for purposes of the audit.

The President shall prepare an annual administrative budget, which he shall submit to the Board of Executive Directors for approval. The budget, when approved, shall be incorporated in the annual general report that shall be submitted to the Board of Governors at its next regular meeting.

SECTION 11. APPLICATIONS FOR MEMBERSHIP IN THE BANK¹

Any member country of the Organization of American States may apply for membership in the Bank by submitting a formal request in accordance with such terms as the Bank may determine.

In submitting an application for membership to the Board of Governors, the Board of Executive Directors, after consulting the applying country, shall make a recommendation to the Board of Governors concerning the number of shares of capital stock the country should subscribe, the amount of its contribution to the Fund for Special Operations, and any other conditions which, in the opinion of the Board of Executive Directors, the Board of Governors should establish.

SECTION 12. SUSPENSION OF A MEMBER

Before any member is suspended from membership in the Bank, the matter shall be considered by the Board of Executive Directors, which shall inform the member sufficiently in advance of the complaint against it, and shall give the member a reasonable time to explain its case orally and in writing. The Board of Executive Directors shall recommend to the Board of Governors whatever action it considers appropriate. The member shall be notified of the recommendation and of the date on which the matter is to be considered by the Board of Governors, and it shall be given a reasonable time in which to present its case orally and in writing before the Board of Governors. Any member may waive this right.

¹ *With respect to eligible countries, this Section should be read in the light of the provisions of Article II, Section 1, of the Agreement Establishing the Bank, as amended June 1, 1976.*

SECTION 13. AMENDMENTS TO THE BY-LAWS

The Board of Governors may amend these By-Laws at any of its sessions or by taking a vote without a meeting, in accordance with the provisions of Section 5 of these By-Laws.
