

**Inter-American Development Bank**

**STANDING COMMITTEES OF THE BOARD OF EXECUTIVE  
DIRECTORS**

**CONSOLIDATED PROCEDURES**

**&**

**TERMS OF REFERENCE**

August 2010



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## Foreword

This compilation of the current procedures and terms of reference for Committees of the Board of Executive Directors is intended to facilitate the work of individual Directors and their staff.

These procedures were formally adopted by the Board on August 3, 2010 (DR-525-18) and supersede all the other documents previously approved regarding Committee procedures and terms of reference.<sup>1</sup>

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## Abbreviations

Agreement	Agreement Establishing the Inter-American Development Bank
Board	Board of Executive Directors of the Inter-American Development Bank
AUG	Office of the Executive Auditor
SEC	Office of the Secretary

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<sup>1</sup> Regulations regarding the Committee of the Whole and the Board of Executive Directors in the form of Regulations of the Board of Executive Directors are set out in document [DR-398-9](#). Regulations for the Conduct Committee are set out in document [DR-545-13](#).



## **I. DEAN AND VICE DEAN OF THE BOARD**

- 1.1 The Dean will be the Executive Director with the longest full time service.<sup>2</sup> If two Directors have equal length of service, the Dean will be the Director with the longest service as a Chairperson of a Committee. Should a Director leave the Bank and return at a later date, time served previously should count as part of total service time. Full-time discontinuous service as Director, which took place ten or more years in the past, will not be credited.
- 1.2 There will be a Vice Dean. If the Dean is from a borrowing country, the Vice Dean will be the longest serving Director from a non-borrowing country. If the Dean is from a non-borrowing country, then the Vice Dean will be the longest serving Director from a borrowing country. The Dean will serve as the Chairperson of the Steering Committee. He will neither serve as Chairperson nor as Vice Chairperson of any other Standing Committee.

## **II. AUTHORITY TO CREATE BOARD COMMITTEES**

- 2.1 The Board may appoint such Committees as it deems advisable.
- 2.2 Currently, there are seven Standing Committees of the Board: The Audit Committee, Budget and Financial Policies Committee, Conduct Committee, Organization, Human Resources and Board Matters Committee, Policy and Evaluation Committee, Programming Committee, and Steering Committee. These Consolidated Procedures and terms of reference govern each of these Committees, (except for the Conduct Committee, which has its own guidelines).<sup>3</sup> Please see Annexes I through VI for each Committee's terms of reference.

## **III. MEMBERSHIP**

- 3.1 Members of the Standing Committees will consist of the Chairs present at their meetings.
- 3.2 There will be one representative per Chair: the Executive Director, the Alternate Executive Director, or in the absence of both, the assigned Counselor.

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<sup>2</sup> Not including service as an Alternate Executive Director or as Counselor.

<sup>3</sup> Refer to document [DR-545-13](#).

#### **IV. COMMITTEE CHAIRPERSONS**

4.1 Each Standing Committee will have a Chairperson, a First Vice Chairperson and a Second Vice Chairperson, with the exception of the Steering Committee, which has a Dean and Vice Dean.

##### **A. Eligibility**

4.2 Only Executive Directors with at least one-year full-time service will serve as Chairperson, unless otherwise approved by the Board for a specific appointment to accommodate rotation schedules.

4.3 Service time as an Alternate Executive Director will count towards eligibility for Standing Committee Chairpersonship.

##### **B. Selection**

4.4 The Dean will submit the proposed list of Chairpersons and Vice Chairpersons of Standing Committees to the Board for approval, after consultations among Executive Directors led by the Dean. Any Executive Director who meets the eligibility criteria mentioned on paragraph 4.2 above, may be selected to serve as the Chairperson of any Committee. In the nomination of Committee Chairpersons, preference should be given to those Chairs who have not served the previous year. Nationality and gender balance, as well as expertise, should be taken into account.

##### **C. Term**

4.5 Chairpersons and Vice Chairpersons will serve for one year; exceptionally, if approved by the Board, service may be extended by one year. To ensure a smooth transition, new Committee Chairpersons should be selected in early June for appointment on July 1.

##### **D. Interim appointment**

4.6 If a Director resigns from a position of Chairperson, the First Vice Chairperson will substitute as Chairperson until the end of the original term.

##### **E. Duties of Chairperson**

4.7 In consultation with the members of the Committee, the Chairperson will be responsible for establishing the Committee's work program and the agenda for its meetings.



## **V. COMMITTEE REVIEW**

### **A. Forms of Committee review**

5.1 Topics may be submitted to a Standing Committee for review in different forms:

#### **a. For information without discussion**

5.2 Documents distributed for information without discussion of a Standing Committee will not be placed on a meeting agenda, unless requested by an Executive Director. In most cases, the Chairperson will not submit a report to the Board.

#### **b. For discussion by the Committee**

5.3 Documents that do not require approval by the Board, but that are highlighted in the Committee work program or terms of reference as being for discussion, should be submitted for discussion. The Chairperson will decide whether or not to submit a report to the Board.

#### **c. By streamlined procedure**

5.4 Documents that are not expected to generate discussion within a Committee, but that require Board approval, may be submitted to the Committee by streamlined procedure. The Chairperson will decide whether documents may be submitted to his Committee in this form. Any Director may request an interruption of the procedure to place the item on the appropriate Committee agenda for discussion. This procedure may also apply to items requiring Committee endorsement, but neither Committee discussion nor Board approval.

5.5 Following authorization from the Chairperson, SEC will advise Committee members when a document is distributed by streamlined procedure. Members are given a deadline to express any objection to the document (usually within five working days of document distribution). If no comments are received by the specified deadline, the Chairperson will understand that there is agreement within the Committee regarding the topic presented and a record of such agreement will be made in the minutes of the subsequent meeting of the Committee. The Chairperson will decide whether or not to submit a report to the Board.

#### **d. For discussion and subsequent approval by the Board**

5.6 Documents will be discussed in a Committee meeting and sent to the Board for consideration for approval. The Chairperson will submit a report to the Board.

### **B. Informal meetings of the Committee**

5.7 The Chairperson may call informal meetings of the Committee to allow for a more open forum for discussion (no minutes are prepared for informal sessions). These sessions may include:

- (i) **Discussing issues for which there is no clear consensus within the members of the Board, before formally submitting it to the Committee;**
- (ii) **Gathering ideas and suggestions from the members of the Board regarding an upcoming topic to be formally presented to the Committee; and**
- (iii) **Presenting topics of interest to the members of the Board, for which a formal document may or may not be presented to the Committee.**

#### **C. Document advance-circulation requirements**

- 5.8 All documents submitted to a Committee for discussion are subject to an advance-circulation period (in both languages) of at least ten working days before they may be discussed in a formal meeting of a Committee. Documents may be posted on the SEC website initially in one language. However, the advance-circulation period begins from the time the document is posted in both languages. This requirement applies to the initial presentation of the matter to the Committee. The Chairperson will determine distribution requirements for additional information or for changes made to original documents.
- 5.9 Documents submitted by streamlined procedure will have an advance circulation period of five working days in both languages.
- 5.10 Audiovisual presentations, when used as visual aids accompanying a principal document, shall be posted on the SEC website in both languages at least two working days before they are to be presented to a Committee.
- 5.11 Audiovisual presentations used as principal documents (when there is no underlying document) will be subject to the same distribution period requirements as documents submitted for discussion of a Committee (ten working days), unless otherwise agreed by the Committee Chairperson.
- 5.12 There are no advance-circulation requirements for documents submitted to an informal meeting of a Committee.

#### **D. Exceptions to document circulation requirements**

- 5.13 Exceptions to circulation requirements are decided by the Chairperson, in consultation with the members of the Committee concerned. If Management has good reason to request a shortened circulation period, a request is to be submitted to the Chairperson, through SEC, in writing. The Chairperson, after determining the view of the majority of the Committee members, will inform Management of the Committee's decision in writing, with a copy to SEC. Members of the Board may also request a shortened or extended circulation period. The same procedure outlined above shall be followed. All communications are to be via e-mail.

**E. Revision of a document previously considered by a Standing Committee**

- 5.14 A Standing Committee may recommend that a document be submitted to the Committee of the Whole after it has been revised to reflect the changes/additions requested by the Standing Committee. The Chairperson, after reviewing the modifications, will inform SEC when he is satisfied that the revised document reflects the Committee's instructions. SEC will distribute the revised document to the Board after receiving notification from the Chairperson. Revised documents may also be resubmitted to the Committee, should the Committee so decide. In this case, the Chairperson will determine the appropriate distribution period.
- 5.15 Revised documents will be posted on the SEC website at least three working days before they are submitted to the Committee of the Whole, unless the Chairperson, after appropriate consultation, instructs otherwise.

**VI. MEETINGS OF STANDING COMMITTEES**

**A. Agendas**

- 6.1 SEC produces agendas for the Standing Committees in consultation with the Committee Chairperson and Management and posts them on the SEC website in both languages, in principle, at least ten working days in advance of the meeting. All changes to the agendas must be authorized by the Chairperson. "Other business" will be included as an item on all agendas (with specific sub-items as necessary). SEC will prepare tentative agendas one month in advance for meetings of each Standing Committee, using the most recent information provided by the Bank's Departments.

**B. Convening, attendance and participation**

- 6.2 In general, Committee meetings should be convened with a minimum of ten working days notice.
- 6.3 At the request of the Committee Chairperson, the President and/or any staff member may attend meetings of any Committee.
- 6.4 Any Executive Director or Alternate Executive Director may attend and participate in any meeting of any Committee. It shall be up to each Executive Director's office to decide on attendance by Counselors.
- 6.5 Members of the Board seated at the table represent the position of the corresponding Executive Director. Other accompanying members may only speak if recognized by the member seated at the table.
- 6.6 All Executive Directors and Alternate Executive Directors will be provided with all documentation distributed in connection with the work of any Committee,

including notices of meeting, agendas, policy documents, background papers, and minutes.

**C. Executive sessions**

6.7 At the request of the Chairperson or of any Executive Director, meetings of a Standing Committee may be held in executive session and shall be attended only by the Chairperson, the Executive Directors, Alternate Executive Directors, the Secretary and such other persons as may be specifically designated by the members. Executive Sessions do not require advanced notice. Minutes for executive sessions will only record the Committee's recommendation.

**D. Absence of Chairperson**

6.8 If unable to call or chair a meeting, the Chairperson will ask the First Vice Chairperson, or the Second Vice Chairperson, if the First is unavailable, to call or chair a meeting. In the absence of the Chairperson and the two Vice Chairpersons of a Committee, the Chairperson may ask the Executive Director placed highest on the Executive Directors' order of precedence to chair a meeting.

6.9 Committee meetings will not be suspended due to a Chairperson's absence. They may be suspended only in the absence of the Chairperson and both Vice Chairpersons.

**VII. NO VOTING IN STANDING COMMITTEES**

7.1 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.

7.2 The decision-making prerogatives of the Board under the Agreement Establishing the Bank and the Regulations of the Board shall be respected. Accordingly, the Committees shall have no decision-making powers and shall not settle any issue through any sort of voting procedure.

**VIII. CHAIRPERSONS' REPORTS**

**A. Distribution**

8.1 Each Committee shall be responsible for ensuring that its business is conducted properly and with reasonable dispatch. When necessary, the Chairperson of each Committee shall present a report to the Board dealing with the relevant issues, principal views, and supporting arguments set forth in the Committee's deliberations, and shall present recommendations and/or options to be considered by the full Board.

- 8.2 Chairpersons' reports are prepared only for matters that will be submitted for subsequent consideration by the Committee of the Whole and/or Board. Once a Standing Committee has completed its discussion of an agenda item, the respective Committee Coordinator will prepare a draft report (unless otherwise informed by the Committee Chairperson) and submit it to the Chairperson for revision and clearance.
- 8.3 Chairpersons' reports will be posted on the SEC website at least three working days before they are considered in the Committee of the Whole, unless the Chairperson, with his Committee's concurrence, agrees otherwise.
- 8.4 Chairperson reports are not consensus documents. While the Chairperson may want to consult with members of the Committee regarding their content, the report's final version is the decision of the Chairperson.

## **IX. MINUTES**

- 9.1 The Secretariat of the Bank shall be responsible for providing each Committee with a Coordinator, with the exception of the Conduct Committee, which will be supported by a Secretary. In consultation with the Chairperson, this Coordinator will be responsible for posting the agenda and relevant documents on the SEC website.
- 9.2 SEC will prepare draft minutes containing a summary of the proceedings within two working days of each formal Committee meeting, when possible. Management will be given the opportunity to comment on the draft before it is forwarded to the Committee Chairperson.
- 9.3 The minutes will include a separate heading – “Recommended Decisions and Actions” (RDA) – that clearly states the outcome of the discussion, including the next step to be taken with regard to the document and sufficient detail on Committee requests.
- 9.4 The draft minutes will be sent electronically for review by the Chairperson. If no objections or changes are proposed by the Chairperson within two working days, the minutes will be classified as “provisional”, posted on the SEC website, and when timing allows, placed on the agenda of the Committee's next meeting (minutes must be posted for a minimum of three working days in both languages before being placed on an agenda). Once the minutes are posted on the agenda, Directors with comments should direct them to the Chairperson before or during the meeting, or request a postponement of their consideration. For minutes whose consideration is postponed, all comments must be provided to SEC within 24 hours of the meeting or the minutes will be reposted in the subsequent meeting without being modified. Revised versions of minutes must be marked to reflect the proposed changes. If no objections are raised during or prior the meeting, the minutes will be considered approved.

- 9.5 In exceptional cases, a Committee Chairperson may request approval of minutes virtually, on an expedited basis. A record of such virtual approval will be made in the minutes of the subsequent Committee meeting.
- 9.6 Directors wishing to have their statements recorded in the minutes will make such a request at a meeting, and subsequently submit them in writing (electronic file) to SEC. These statements will be translated in both languages and attached to the minutes.
- 9.7 Minutes are not to be prepared for informal Committee meetings.

## **X. PROGRAMMING OF STANDING COMMITTEES' WORK**

### **A. Committee work program**

- 10.1 An annual work program will be prepared and adopted before the summer recess for each Standing Committee, with the participation of Management. Managing the program will be the responsibility of the Committee Chairpersons, with support from SEC. SEC will gather input from the Bank's Departments concerning the documents expected to be submitted and the schedule of their production. The annual work program will broadly define the Committee's objectives and priorities until June of the following year.<sup>4</sup>
- 10.2 At the end of their mandates, Committee Chairpersons, with support from SEC, will prepare an annual report, identifying the Committee's main achievements as well as areas where further work is required. A draft of the report will be shared with the incoming Committee Chairperson and will be presented to the Committee normally by the end of June.

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<sup>4</sup> For an explanation of the process to develop the Standing Committees' work programs please refer to document [DR-737](#).

**TERMS OF REFERENCE OF THE STANDING COMMITTEES  
OF THE BOARD**





## **Steering Committee**

1. The Board approved the creation of this Standing Committee on 5 February 1997 ([DEA/97/5](#)).
2. The regulations for all Standing Committees of the Board shall apply to the Steering Committee, except that in the event of inconsistencies between those regulations and this Annex I, the provisions of this Annex I shall apply to the Steering Committee.
3. The Steering Committee is an advisory body. Its functions include reviewing and conferring with Management on all matters relating to preparation and follow-up on the Board's work program and other relevant matters.

### **Responsibilities and duties**

4. Foster an active and fluid dialogue between the Board and Management.
5. Coordinate the scope, nature, and timing of the handling of items within the various committees.
6. Coordinate and follow up on the work program of the Board committees. This program will be updated on an ongoing basis and reviewed by the Steering Committee normally on a monthly basis.
7. Receive and follow up on concerns and initiatives put forward by Executive Directors on various issues.
8. Coordinate the review and update of the terms of reference and rules of procedure for the Board Committees, as provided for in the terms of reference of the Organization, Human Resources and Board Matters Committee
9. Approve Director travel and Board budgetary allocations as set forth in the current travel procedures and Board budget guidelines.<sup>5</sup>
10. For personnel appointments which do not fall under the responsibility of an appropriate Board Committee, under the Board's jurisdiction, the Steering Committee, in line with paragraph 5 above, will delegate responsibility for an appointment to an appropriate Committee for eventual approval by the Board and the President as appropriate.
11. Organize the annual Board retreat.

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<sup>5</sup> Refer to document [DR-568-3](#) for travel procedures and document [GA-202-1](#) for Board budget guidelines.

## **Membership and chairperson**

12. The Steering Committee will consist of the Chairpersons of the Standing Committees, the Executive Director of the Bank's largest shareholder, the Dean and the Vice Dean.
13. The Dean calls and chairs the meetings of the Steering Committee. In the absence of the Dean, the Vice Dean may chair the meeting of the Steering Committee, previously called by the Dean.
14. In exceptional circumstances, any member of the Board can request a meeting of the Steering Committee, proposing an issue for the agenda.
15. Any absent member of the Steering Committee will be replaced by the First Vice Chairperson or, in the latter's absence, the Second Vice Chairperson of the Committee concerned.
16. The Dean will help coordinate relations and dialogue among the Steering Committee members and between the members and other Directors as well as the Bank's Management.

## **Meetings and minutes**

17. The Committee will hold meetings on a monthly basis. The date for the next meeting will be set at each Steering Committee meeting. In exceptional circumstances, additional meetings may be called. The procedures for distribution of the agenda and related documents shall be the same as for the Standing Committees, except for special circumstances when the Dean determines otherwise. Any of the Executive Directors or their designees who wish to attend and participate may do so.
18. The Committee may invite the President, the Secretary and members of Senior Management as necessary to establish and review the configuration of the overall work program of the Board or for informal meetings.
19. SEC prepares the minutes of Steering Committee meetings in one language and clears them with the Dean. SEC translates and posts the provisional minutes on the SEC website. Minutes are included in the agenda for approval by the Steering committee at its subsequent meeting.

## **Audit Committee**

1. The primary purpose of the Audit Committee is to assist the Board in overseeing the Bank's financial reporting, risk management and internal control processes, the internal and external audit functions, and the Bank's activities in promoting institutional integrity with regard to matters involving prohibited practices, and the fiduciary aspects of the Bank's policies and activities. Consistent with this function, the Audit Committee exists to encourage continuous improvement of, and foster adherence to, the Bank policies, procedures, and practices at all levels. The Audit Committee's role is also to provide an open avenue of communication with and between the External Auditor, Management, the Office of the Executive Auditor (AUG), the Office of Institutional Integrity (OII), and other offices responsible for risk management and for administering the Bank's sanctions procedures, and the Board.
2. All members of the Audit Committee shall strive to have a working familiarity with basic finance, risk management, accounting practices and internal controls. The Audit Committee shall implement an orientation educational program and, when necessary, continuing educational programs to enhance the financial, risk management, accounting and internal controls literacy of its members.

### **Responsibilities and duties**

3. The Audit Committee shall meet regularly and, as circumstances dictate, report regularly to the Board regarding the execution of its duties and responsibilities. The Audit Committee should meet periodically in separate executive sessions, as necessary, with Management, AUG, and the External Auditor. The Audit Committee may request any staff member to attend a meeting of the Audit Committee or to meet with any members of, or advisors to, the Audit Committee. The Audit Committee may occasionally conduct joint meetings with other Board Committees on matters of common interest. The Members of the Audit Committee shall not use, or allow to use, directly or indirectly, other than for the interest of the Bank, information obtained in the course of his involvement in the Committee, which is not available to the public.
4. To fulfill its responsibilities and duties the Audit Committee shall:

#### **a. Financial reporting**

5. Review and discuss, prior to their release and as required by accounting rules, the Bank's quarterly and annual financial statements, and other significant reports or financial information to be submitted to outside parties.
6. Review with Management major issues regarding accounting principles and financial statement presentations, including any significant changes in the Bank's selection or application of accounting principles.

7. Review Management's evaluation of the effectiveness of internal controls over financial reporting, including Management's plan for the year, conclusions reached, significant deficiencies and material weaknesses detected, and actions taken to correct them.

**b. Risk management and internal controls**

8. Review Management's strategy and actions to ensure that an adequate and effective risk management process is in place for all major functions (financial, operational, information systems, and administrative and support), including how Management ensures that its strategy is operating as intended, including within approved risk parameters.
9. Review Management's actions to ensure that: (1) adequate and effective financial, operational and information systems are in place; (2) internal controls therein are complied with; and (3) for any assessment thereof, actions are taken in a timely manner.

**c. External auditors**

10. Review the performance and recommend to the Board the appointment, compensation, removal, and work plan for the External Auditor for audit and audit-related services.
11. Establish criteria for determining the approval of allowable services, if any, to be performed by the External Auditor. The External Auditor's participation in non-audit services shall be limited to exceptional audit-related services approved by the Board on the recommendation of the Audit Committee.
12. Review and confirm, at least annually, the independence and rotation (as applicable) of the External Auditor by obtaining statements from the External Auditor on its relationships with the Bank. Rotation requirements include that the External Auditor may not serve for more than two consecutive five-year periods, and that the Audit Partner and Reviewing Partner rotate off the audit at least every five years, on a staggered basis.
13. Review annually with the External Auditor, as part of the year-end audit, the results of the audit and, if applicable significant deficiencies, material weaknesses, audit differences, and any problems or difficulties, and Management's response.
14. Discuss with the External Auditor regarding all critical accounting policies and practices that have been discussed with Management and any other required communication in accordance with generally accepted auditing standards (i.e. the standards of the Public Company Accounting Oversight Board of the USA or successor standards).
15. At least annually, obtain and review a report by the External Auditor describing its internal quality procedures and any material issues raised by the most recent external auditor's quality control review. In addition, obtain updates from the External Auditor,

as necessary, in connection with any material issues raised by authoritative bodies in connection with the External Auditor's practice as a public accountant.

**d. Internal audit (AUG)**

16. In consultation with the Bank's President, participate in, review and concur with the appointment, re-appointment or dismissal of the Executive Auditor. The Chairperson of the Audit Committee or another member designated by him shall participate on the interview panel for short-listed candidates and keep the other Committee members informed throughout the selection process.
17. Review the charter,<sup>6</sup> operations, and organizational structure of the AUG; periodically review the budget, staffing and responsibilities of the AUG.
18. Review the performance and effectiveness of the AUG, including its compliance with the Institute of Internal Auditors' International Professional Practices Framework.
19. Receive and recommend to the Board its approval of the AUG's plan for the year and request, if necessary, specific changes to the plan.
20. Meet regularly with the AUG to review summaries of its reports to Management and Management's responses, including on the implementation of AUG recommendations; have access to full audit reports on request.
21. On a regular basis, and at its discretion, meet in executive session with the AUG to discuss any matter that the Audit Committee or the AUG believes should be discussed in this forum.

**e. Institutional integrity matters**

22. In consultation with the Bank's President, participate in, review and concur with the appointment or dismissal of the Chief of the OII. The chairperson of the Audit Committee or another member designated by him shall participate on the interview panel for short-listed candidates and keep the other Committee members informed throughout the selection process.
23. Review the adequacy and effectiveness of the system for monitoring compliance with Bank policies and procedures regarding matters dealing with prohibited practices.
24. Review, periodically and at its discretion, with the Chief of the OII, significant activities and outcomes for this unit with regard to matters pertaining to prohibited practices.

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<sup>6</sup> Refer to document [DR-569-13](#).

25. Review and endorse provisions to ensure that the Bank has established and maintained appropriate, efficient and consistent procedures to protect confidentiality and anonymity in the receipt, retention and treatment of complaints and allegations submitted by Bank employees or others regarding prohibited practices, including questionable accounting or auditing matters.
26. Review the adequacy and effectiveness of the system of internal controls over all relevant sanctions procedures consistent with the Audit Committee's mandate.
27. Review periodically the role and functions of the Sanctions Committee and other sanctions-related staff. If necessary, meet with appropriate officers to discuss Management's plan to address cases concerning prohibited practices, in line with the Audit Committee's mandate.
28. Meet with the Ethics Officer at least annually to obtain updates from the Ethics Officer on compliance with the Code of Ethics and Professional Conduct.
29. Obtain regular updates from the Legal Department regarding compliance with various legal and regulatory matters

**f. Other responsibilities**

30. Perform other activities related to these terms of reference as requested by the Board.
31. Exercise the authority to obtain advice and assistance from outside advisors as deemed appropriate to perform its duties and responsibilities.
32. Request and oversee special investigations as needed.
33. Review the Committee's terms of reference periodically and propose to the Board any necessary modification thereto. This would be done in consultation with the Organization, Human Resources and Board Matters Committee, as provided in its terms of reference.

## **Budget and Financial Policies Committee (BUFIPOL)**

1. The primary purpose of the BUFIPOL is to: oversee management's administrative and capital budgets and review policies which have a bearing on the Bank's financial position.

### **Responsibilities and duties**

#### **a. Budget**

2. Consider and discuss Management's proposals regarding the budget of the Bank as well as the financial and strategic framework on which it is based, and propose the guidelines on the broad priorities and budget policy directions for the next fiscal year. The agreed assumptions for the lending program for the year or subsequent years, the estimated level of income generation, and the level of administrative resources needed to achieve planned operational goals will be taken into account.
3. Review the proposal of the Administrative and Capital Budget for the next fiscal year, within a context of multiyear programming, and propose recommendations to the Board for the respective budget resolutions and associated performance benchmarks.
4. Consider Management's program budget execution performance reports during the current fiscal year, linking them to the respective strategic objectives, as well as the review of results obtained, and present recommendations to the Board to assist in its consideration of said reports.
5. Monitor the implementation by Management of the performance agreements adopted in conjunction with the approval of each year's Administrative and Capital Budget of the Bank.

#### **b. Financial policies**

6. Consider and review policy changes that would have a significant impact on the allocation of budgetary resources, and to present recommendations to the Board on their implications.
7. Review relevant financial issues and policies which have a bearing on the Bank's current and future financial position, such as liquidity policy, borrowing capacity and authorizations, currency management, liquid investments, loan loss provisioning, capital adequacy, income policy, and concessional resource sustainability.

8. The Committee will discuss periodically with Management the work program of the Finance Department in relation to any of the Bank's financial issues and policies, including the income management model and loan pricing.

**c. Other**

9. Review the Committee's terms of reference periodically and propose to the Board any necessary modification thereto. This would be done in consultation with the Organization, Human Resources and Board Matters Committee, as provided in its terms of reference.



## **Organization, Human Resources, and Board Matters Committee (ORA)**

1. The purpose of the Organization, Human Resources, and Board Matters Committee is to review proposals and make recommendations to the Board and Bank Management on issues concerning: (a) the organization of the Bank; (b) human resources; (c) Board matters; and (d) the Board of Governors and the Annual Meeting.

### **Responsibilities and duties**

#### **a. Organization of the Bank**

2. Review and monitor, in cooperation with Management, the overall organization of the Bank with the aim of making recommendations for changes in areas such as: (a) operational procedures for processing of loans and technical cooperation operations; (b) delegation of authority and decentralization; (c) organizational arrangements between the Banks' governing bodies; and (d) modifications to the Bank's organizational structure.

#### **b. Human Resources**

3. Review, monitor and make recommendations to the Board on the Bank's human resources strategy and policies, particularly those pertaining to staffing, compensation, performance evaluation, and other issues dealing with working conditions.
4. Consider with other Committees and Management the repercussions on the human resources strategy and policies of recommendations of other Committees, and consider proposals to address the issues identified.
5. Review Senior Management appointments, within the Committee's jurisdiction, which require Board approval.

#### **c. Board Matters**

6. Review, monitor and make recommendations regarding the effective and efficient implementation of those actions which directly affect the Board, such as: (a) the execution of the Board's budget; (b) operational procedures regarding the approval of loans and technical-cooperation operations; (c) Secretariat functions; (d) Board procedures and terms of reference (in consultation with the appropriate Committee(s) and the Steering Committee); (e) Board training and travel; and (f) areas of Bank activity not covered by existing Board Committees.

7. Propose to the Board such administrative or operations measures as the Committee may deem necessary to better perform its functions, and in particular for effective functioning of the Board.

**d. Board of Governors and the Annual Meeting**

8. Discuss issues related to the functioning of the Board of Governors.
9. Recommend to the Board meeting sites for the Annual Meeting and discuss logistics related to the meeting.

## **Policy and Evaluation Committee (PEC)**

1. The primary purpose of the Policy and Evaluation Committee is to review newly-developed Bank policies and modification to existing policies. This includes review of new lending instruments, monitoring the Bank's processes in development effectiveness, evaluation, oversight, and serving as channel of communication between the Board and the Office of Evaluation and Oversight.

### **Responsibilities and duties**

#### **a. Policy development**

2. Make recommendations to the Board with respect to the development, updating, and review of Bank operations policies and strategies.
3. Recommend to the Board the approval of Management's Annual Work Program for policy development, together with a schedule specifying priorities of proposals for new policies and strategies, and revision, and the planned timing for their presentation to the Committee.
4. Management's Annual Work Program will include, inter alia, the following:
  - (i) The status of the development of new policies and strategies, and revisions.
  - (ii) The plan for monitoring and evaluating, on an ongoing basis, the body of operational policies and strategies, and the experience of the Bank with their implementation.
  - (iii) Periodic information on: best practices currently in existence for new policy proposals; resource availability and capacity; skills available in the Bank to implement the new policies and to evaluate their performance; and a plan of action to promote the new or revised policies, including factors such as communication, training requirements, and modification of Bank manuals.
5. The Committee will review periodically the policy implications of lessons learned from ongoing and completed evaluation reports.

## **b. Evaluation**

### **b.1. General**

6. The Board has a continuing stake in timely and effective feedback on Bank operations as tangible support in policy development, planning, and decision-making across its mandate. The vehicles by which this feedback is provided in an ordered and systematic manner are, in the main, through the Bank's programs of evaluation and oversight, and development effectiveness framework.

### **b.2. Specific activities**

7. The Committee will consider the following with a view to making recommendations to the Board on:
  - (i) Evaluation reports and other activities of the Office of Evaluation and Oversight.
  - (ii) Reports on the results obtained from other parts of the Bank Evaluation System, including evaluation reports presented by Management as part of the annual departmental business plans; and work involving the active participation of the borrowers and beneficiaries.
  - (iii) The Annual work program and budget of the Office of Evaluation and Oversight, which includes the evaluation of Bank strategies, operational policies, country programs, operations, and institutional processes.
  - (iv) Review periodic reports from the Office of Strategic Planning and Development Effectiveness (SPD) on progress in implementing Board decisions resulting from evaluation reports, studies, and the development effectiveness framework.

## **c. Relations with the Office of Evaluation and Oversight**

8. The Committee will be the official channel of communication between the Board and the Office of Evaluation and Oversight. The Director of the Office will maintain close contact with the Chairperson of the Committee to ensure that he or she is apprised of the progress of work and other aspects of the Office that may, in the normal course of business, be raised with the Committee.

## **d. Other**

9. Review the Committee's terms of reference periodically and propose to the Board any necessary modification thereto. This would be done in consultation with the Organization, Human Resources and Board Matters Committee, as provided in its terms of reference.

10. Review Senior Management appointments, within the Committee jurisdiction, which require Board approval.

## **Programming Committee**

1. The purpose of the Programming Committee is to consider and recommend appropriate action to the Board on proposals, execution reports, and initiatives encompassing activities of the Bank's country and regional programming, monitoring of the loan portfolio results and outcomes, and other related areas which fall within the realm of operational mandates set forth by the Board of Governors. The Committee also recommends for Board approval the allocation of resources from the Fund for Special Operations (FSO) and the programming of operations within the IDB Grant Facility.

### **Responsibilities and duties**

#### **a. Country and regional programs**

2. Consider and provide direction with respect to country papers and their evaluations, regional program papers, and related periodic execution reports presented by the Regional Managers. Wherever appropriate, the Committee will make relevant recommendations to the Board to facilitate the dialogue with borrowers and other partners in development. Special attention will be given to satisfactory implementation of program goals and delivery.
3. Review the annual portfolio management reports, as well as periodic monitoring reports on country loan portfolios, with a view to ensure that appropriate and timely follow-up measures are taken to develop the Bank's future loan pipeline with the borrowers.
4. Review regular reporting on the Bank's overall programming, including disbursements and approvals.
5. Review regular reporting on technical cooperations and trust funds, both for proposed and ongoing activities.
6. Review and recommend approval of the allocation of resources from the Fund for Special Operations (FSO) and the programming of operations within the IDB Grant Facility.

#### **b. Special initiatives and programs**

7. Review and provide direction relating to special initiatives or programs proposed by Management in new or emerging priority sectors or areas where the Bank undertakes pilot projects and programs.

8. Consider and review Management execution reports in order to monitor periodically the development impact and performance results from such programs and projects.

**c. Other**

9. Review the Committee's terms of reference periodically and propose to the Board any necessary modification thereto. This would be done in consultation with the Organization, Human Resources and Board Matters Committee, as provided in its terms of reference.