

**STATUTE OF THE ADMINISTRATIVE TRIBUNAL
OF THE INTER-AMERICAN DEVELOPMENT BANK GROUP¹**

Article I

There is hereby established a Tribunal of the Inter-American Development Bank (hereinafter referred to as the “Bank”) and the Inter-American Investment Corporation (hereinafter referred to as the “Corporation”) to be known as the Administrative Tribunal of the Inter-American Development Bank Group.

Article II

1. The Tribunal shall hear and pass judgment upon any application by which an Employee of the Bank or of the Corporation alleges non-observance of his or her contract of employment or terms and conditions of appointment. The words “contract of employment” and “terms and conditions of appointment” include all pertinent regulations and rules in force at the time of the alleged non-observance, including the rights or benefits established by a Bank Staff Retirement Plan (hereinafter referred to as a “Plan”). “Employee”, for the purposes of this Statute, mean any current or former person appointed by the Bank or of the Corporation in accordance with its employment practices to render services as an employee, and who receives regular remuneration from the Bank or the Corporation (including consultants) including retired staff members receiving a pension from the Plan, or any person who is entitled to present a claim upon a right

¹ The Administrative Tribunal was established by the Board of Executive Directors of the Inter-American Development Bank on April 29, 1981. The Inter-American Investment Corporation accepted to the Tribunal's jurisdiction by resolution of its Board of Executive Directors of November 19, 1991. The form of the Statute as provided herein represents the amended and restated Statute as approved by the Bank's Board of Executive Directors on February 27, 2013 (Resolution DE-11/13). As provided in said Resolution, “[t]he effective date of the amended and restated Statute of the Administrative Tribunal shall be the date of its approval by the Board of Executive Directors for all applications presented to the Administrative Tribunal after such effective date. The preceding Statute shall remain in effect for applications presented prior to or on such effective date”. The Inter-American Development Bank Group consists of the Bank, the Corporation and the Multilateral Investment Fund (the “Fund”) which cooperate on operations in their developing member countries. The Bank and the Corporation are public international organizations. The Fund is a fund under the administration of the Bank. Each has a distinct legal status, governance structure and assets

of such current, former, or retired staff member (once having filed an application, an “Applicant”).

2. Applications to be heard by the Tribunal shall be admissible only in the following cases:

(a) When the application is presented to the Tribunal within 120 calendar days of the date of exhaustion of all other remedies required within the formal system for the resolution of employee grievances, as provided by the policies of the Bank or the Corporation (as applicable) as conditions for access to the Tribunal, including that such remedies must be exercised within their respective time periods. The Bank and the Corporation shall maintain personnel policies accessible to all employees describing the remedies that must be exhausted as conditions for access to the Tribunal.

(b) When the application concerns policies interpreted by a Plan Administration Committee, such application shall be admissible only from a final decision of the Plan Administration Committee, and such application is presented to the Tribunal within 120 calendar days from notice of such decision to the Applicant. The final decision of the respective Administration Committee shall be filed with the application.

(c) When the application contests a decision of the Administration imposing a disciplinary sanction as contemplated in the Code of Ethics and Professional Conduct of the Bank and in its Procedures, or in the relevant ethics and disciplinary codes or policies of the Corporation, and such application is presented to the Tribunal within 120 calendar days from notice of such decision to the Applicant. Such decision shall be filed with the application.

3. The 120-day time limit established in Article II(2) will be extended to one year if the heirs of a deceased Employee or the trustee of an Employee who is not in a position to manage his or her own affairs files the application in the name of said Employee.

4. The filing of the application shall not have the automatic effect of suspending the execution of any decision contested. The Tribunal, at the request of the Applicant and having

heard the response of the Bank or the Corporation within a time period prescribed by the President of the Tribunal, may decide to suspend the decision contested on such conditions as the Tribunal may deem appropriate, pending the completion of its review and decision on the application in a case in which the execution of the decision is shown to be likely to result in irreparable damage to the Applicant that cannot otherwise be redressed, and the Applicant has offered substantial evidence that supports the application.

5. In any specific case, and particularly in cases regarding the protected statuses referred to in Article IX, the Tribunal may decide to suspend the provisions regarding time limits.

Article III

1. The Tribunal shall be composed of seven members who shall be nationals of member countries, but no two of them shall be nationals of the same country. Members of the Tribunal shall be persons of recognized professional competence and integrity who have the necessary qualifications to occupy a similar position in the highest judicial courts of their countries or who are jurisconsults of recognized competence. Members of the Tribunal shall not be selected from current or former Bank or Corporation Employees, nor shall they be eligible to become Employee(s) of the Bank or the Corporation, or provide services to third parties in connection with initiatives of the Bank or the Corporation within five years after having been members of the Tribunal.

2. Members of the Tribunal shall be appointed by the Board of Executive Directors of the Bank from a list of candidates presented to it by a Nominating Committee for the Administrative Tribunal established as provided in Annex I hereto.

3. Members of the Tribunal shall be appointed for one non-renewable term of six years.

4. Unless a particular case is deemed by the President of the Tribunal to involve exceptional circumstances that merit consideration by the full Tribunal, the President of the Tribunal shall

appoint a panel of three members to hear and decide each case (a “Panel”). The President shall also designate one of the members of the Panel as Chairperson for that Panel. The Chairperson shall organize the work program of a Panel in consultation with its members and shall schedule meetings as needed. Attendance of all three members of a Panel is required to constitute a quorum of a Panel. Decisions of a Panel shall be taken by a majority and shall be deemed to constitute a decision of the Tribunal. If a member disqualifies him or herself from participating in the review and decision of an application, the President of the Tribunal shall nominate a replacement from the remaining members of the Tribunal. Reference herein to the Tribunal shall mean to a Panel responsible for deciding upon a case, where applicable.

5. If a member disqualifies him or herself from participating in the review and decision of an application for matters to be considered exceptionally by all of the Tribunal members, or if one or more members are unable to attend such a session because of impediments, incapacity or other similar reasons, a quorum of four members shall suffice to constitute the Tribunal.

6. In case of resignation of a member, the resignation shall be addressed to the President of the Tribunal for transmission to the President of the Bank, or directly to the President of the Bank in the case of the resignation of the President of the Tribunal. In both cases the President of the Bank shall notify the Board of Executive Directors. Upon notification to the Board of Executive Directors the position will become vacant.

7. If a member fails to attend three consecutive sessions of the Tribunal without a justifiable reason, his or her term shall be terminated automatically, and the President of the Bank shall so notify the Board of Executive Directors.

8. Upon the expiration of the term of a member or in the case of resignation, termination for unjustified absences, disability or death of a member more than six months before the expiration of his or her term, s/he shall be replaced by a candidate to be selected by the Board of Executive Directors in accordance with Article III (2) above. A member appointed to replace a member whose term of office has not expired shall hold office for the remainder of the predecessor's

term. If the appointment for the remainder of such term is less than one year, the member shall be eligible for reappointment for a full term.

Article IV

1. The Tribunal shall have a President who shall be elected annually by the Tribunal from among its members.

2. The Tribunal and Panels shall hold their sessions at the principal office of the Bank, unless the President of the Tribunal, or Chairperson of a Panel, as the case may be, considers that the efficient conduct of the proceedings warrants holding sessions elsewhere. Any one or more, or all, members of the Tribunal or a Panel may participate in a session by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time and have simultaneous interpretation, when necessary. Participation by such means shall constitute attendance for the purposes of a quorum.

3. For a session of the Tribunal involving participation of an Applicant, the Bank, or the Corporation, the President of the Tribunal shall notify each party of a session at least 30 calendar days prior to the convening of any session. Such notice shall be accompanied by an indication of the matters and subjects to come before the Tribunal at that session.

Article V

1. An Executive Secretary to the Tribunal shall be appointed by the Board of Executive Directors for the Bank from a list of candidates presented to it by a Nominating Committee for the Administrative Tribunal established as provided in Annex I hereto. The Executive Secretary shall be appointed for a term and on such terms and conditions determined by the Board of Executive Directors taking into consideration the Bank's employment practices for the Executive Secretaries of other independent units within the Bank. The Executive Secretary shall act only

under the direction of the President of the Tribunal and pursuant to the Statute of the Tribunal, such complementary procedures as may be approved by the Tribunal and the applicable administrative policies and procedures of the Bank and the Corporation. The Executive Secretary shall not be selected from current or former Bank or Corporation Employees, and shall not be eligible to become an Employee of the Bank or the Corporation, or provide services to third parties in connection with initiatives of the Bank or the Corporation, within five years after having been Executive Secretary of the Tribunal.

2. Members of the Tribunal and the Executive Secretary shall receive financial compensation commensurate with their services as regulated by the Board of Executive Directors, and shall also receive per diem allowances and transportation expenses. The funds to cover such payments shall come from the administrative budgets of the Bank and of the Corporation. The President of the Bank shall make the administrative arrangements necessary for the functioning of the Tribunal.

Article VI

1. The Tribunal shall have authority to conduct hearings, examine evidence, make decisions and render judgments on controversies and disputes between the Bank or the Corporation and their respective Employees as set forth in Article II.

2. In carrying out its functions the Tribunal shall not be subject to the laws or jurisprudence of any of the Bank's or the Corporation's member countries or any of their political or administrative subdivisions.

3. In interpreting the terms of the employment agreements between the Bank or the Corporation and their respective Employees, and the terms and conditions of appointment, the Tribunal shall make decisions and pass judgments based on the Agreement Establishing the Bank or the Agreement Establishing the Corporation, as applicable, and the respective written and approved policies, the rules and regulations of their respective Boards of Governors and

Boards of Executive Directors, the Staff Retirement Plans, and the personnel and administrative policies in force at the time of the alleged non-observance.

Article VII

1. Subject to the provisions of the present Statute, the Tribunal shall establish rules for adjudicating matters submitted to it for its decision.

2. The rules shall include, with the objective, among other considerations, of promoting the efficient functioning and the expeditious adjudication of matters within the Tribunals' jurisdiction, provisions concerning:

(a) duties of the President of the Tribunal and selection of a member to perform the duties of the President in the event of his or her temporary inability to fulfill his or her duties;

(b) the possibility of assignment of the application by the President of the Tribunal when deemed warranted to one of the members of the Tribunal who shall act as managing judge and shall be responsible for conducting the case through its discovery process as defined by the Tribunal;

(c) presentation of applications and procedures to be followed in respect thereof, including the obligations of each of the Applicant, the Bank or the Corporation to submit its pleadings (including the attachments to pleadings and other documentary evidence submitted to the Tribunal) in one of the four official languages of the Bank with the requirement of translation by the Executive Secretary of the Tribunal to other of such languages as may be requested by the Applicant, the Bank, the Corporation or members of the Tribunal;

(d) the operation of a Panel if so appointed pursuant to Article III (4).

(e) the conduct of oral hearings where the Tribunal concludes that such hearings are deemed appropriate to the resolution of the case;

(f) the consideration of cases and the conduct of the discovery process through videoconference and teleconference;

(g) intervention by persons to whom the Tribunal is open under Article II(1) whose rights may be affected by the judgment;

(h) hearing, for the purpose of information, of any persons to whom the Tribunal is open under Article II(1) even though they are not parties to the case;

(i) applications to revise a judgment upon discovery of a fact which by its nature might have had a decisive influence on the judgment of the Tribunal and which at the time of the judgment was unknown both to the Tribunal and to the party to the case making application for the revision;

(j) ensuring the protection of the confidentiality of information taking into account the policies of the Bank and the Corporation and including the right of both parties to ask the Tribunal that some information be kept confidential; and,

(k) other matters relating to the functioning of the Tribunal.

3. This Statute and the Tribunal's rules of procedure shall remain publicly available at all times.

Article VIII

1. The Tribunal shall take all decisions by majority vote of the Panel or the Tribunal as constituted for any session. In the event of an equality of votes, the President of the Tribunal or the presiding member shall have the decisive vote.

2. Judgments shall be final and without appeal.

3. Each judgment shall be issued promptly after conclusion of the proceedings and shall state the basis for the decision.

4. The original of the judgment, attested by the Executive Secretary, shall be filed in the archives of the Bank. A copy of the judgment shall be delivered to each of the parties concerned. Copies shall also be made available to interested persons on request.

Article IX

1. If the Tribunal finds that an application is well-founded, it shall order the rescission of the contested decision or other specific performance as appropriate, and the restoration of salary, benefits and other entitlements with interest with effect as of the date of such decision, as applicable.

2. In addition to the compensation provided for in Article IX(1), the Tribunal may also fix a monetary compensation to be paid (by the Bank or Corporation) to the Applicant in the amount of any damages to the Applicant that remain uncompensated by the remedies provided for in Article IX(1). The compensation awarded under this Article IX(2) shall not exceed the higher of either one year of the Applicant's annual salary or one year of the median salary of the Bank or the Corporation, as applicable. However, in the case of Tribunal findings involving discrimination based on race, gender, sexual orientation, national origin, ethnicity or other protected status, or retaliation against a whistleblower, monetary compensation may be the

higher of either twice the Applicant's annual salary or twice the median annual salary of the Bank or Corporation, as applicable.

3. In circumstances where the President of the Bank or the General Manager of the Corporation determines that the rescission or specific performance as referred to in Article IX(1) are not practicable or in the best interests of the Bank or the Corporation, the respective Institution shall petition the Tribunal in writing, and the Tribunal shall fix the amount of compensation to be awarded to the Applicant in lieu of such rescission or specific performance. Such compensation shall be in addition to the amounts awarded by the Tribunal pursuant to Articles IX(1) and (2), and shall also be in addition to payments to which employees are entitled in due course upon the termination of their employment with the Bank or Corporation.

4. Where the corresponding regular compensation or pension is payable to the Applicant on a net-of-tax basis, the Bank or Corporation shall also provide the Applicant with a reimbursement of national taxes, in accordance with the policies of the respective Institution, payable on compensation awarded by the Tribunal in Articles IX(1) through IX(3) above.

5. In cases where the Tribunal determines that discrimination based on race, gender, sexual orientation, national origin, ethnicity or another protected status, or retaliation against a whistleblower, was a contributing factor in the Tribunal's decision, it shall refer the matter to the Ethics Officer for action in accordance with the policies governing that Institution, including policies regarding conflicts of interest and recusal.

6. If the Tribunal awards in favor of an Applicant on the substance of an application in whole or in part, it may order that the reasonable costs incurred by the Applicant in the case, including the fees of Applicant's counsel, be totally or partially borne by the Bank or the Corporation, as applicable, taking into account the nature and complexity of the case, the nature and quality of the work performed, the amount of the fees in relation to prevailing rates, and the nature of the Tribunal's decision in relation to the relief petitioned by the Applicant. Additionally, the Bank or the Corporation, as applicable, shall pay for reasonable personal transportation expenses of an Applicant, and those of an attorney, for the purpose of their

attendance at Tribunal proceedings at which their presence is necessary, provided that the Tribunal authorizes such expenses in advance, at the written request of the Applicant. When an application is filed by two or more Employees, such expenses may be authorized for each attorney, if applicable.

7. The Tribunal may order that reasonable compensation be made by the Applicant to the Bank and/or the Corporation for all or part of the cost of defending the case, if the Tribunal finds that the application was malicious or abusive. Such amount shall not exceed six months of the basic salary of the Applicant. The amount awarded, if not paid to the Bank or the Corporation by the Applicant within 30 calendar days from the date of notice to the Applicant of the decision, may be collected by the Bank or the Corporation by way of deductions from payments owed (except payments from a Bank pension plan) by the Bank or the Corporation to the Applicant not to exceed 20% of monthly basic salary.

8. Should the Tribunal find that, prior to its final decision on a case, a procedure prescribed in the personnel and administrative policies of the Bank or of the Corporation, as applicable, has not been observed, it may, at the request of the President of the Bank or of the General Manager of the Corporation, respectively, suspend the proceedings for institution of the required procedure or for adoption of appropriate corrective measures by the Bank or the Corporation within a time certain, subsequent to which the Tribunal shall take such actions into consideration in the Tribunal's further rulings in the case.

9. The Tribunal shall not award exemplary or punitive damages.

Statute of the Administrative Tribunal

Regulations for the Nominating Committee of the Administrative Tribunal

1. The Members and the Executive Secretary of the Tribunal shall be appointed by the Board of Executive Directors of the Bank from a list of candidates presented to it by a nominating committee (the “Nominating Committee”).
2. The Nominating Committee shall consist of the following five members: the Chairperson of the Organization, Human Resources and Board Matters Committee of the Bank; one staff member of the Bank appointed by the President of the Bank; one staff member of the Corporation appointed by the General Manager of the Corporation; and two staff members appointed by the Staff Association. The appointees in the Nominating Committee of each of the President of the Bank, the General Manager of the Corporation and the Staff Association shall serve for one-year terms that are renewable for one additional year.
3. The Chairperson of the Organization, Human Resources and Board Matters Committee of the Bank shall act as Chairperson of the Nominating Committee. The Chairperson of the Committee of the Board of Executive Directors of the Corporation shall serve as Vice-Chairperson of the Nominating Committee and shall be an Alternate Member to the Chairperson. As Alternate Member, the Chairperson of the Committee of the Board of Executive Directors of the Corporation shall have the right to attend meetings, and shall only vote in the absence of the Chairperson.
4. The Chairperson shall call such meetings as may be necessary to fulfill the purposes of the Nominating Committee. A quorum for a meeting of the Committee shall require its five members. Decisions of the Committee shall be taken by a majority of its five members.

5. The Nominating Committee shall identify and nominate candidates in accordance with the criteria detailed in Article III, Sections 1 through 3 (for Members of the Tribunal), and Article V Section 1 (for the Executive Secretary) of the Statute of the Administrative Tribunal. The list for the position of Members of the Tribunal presented to the Board of Executive Directors shall include at least two candidates for each vacancy. For the position of Executive Secretary of the Tribunal, the Nominating Committee shall seek the written views of the members of the Tribunal on the terms of reference for the position, and on the candidate or candidates that have been identified by the Nominating Committee as possibly eligible for recommendation to the Board. With reference to the above, the Nominating Committee may provide for the consideration of the members of the Tribunal a list of up to five candidates from which the members of the Tribunal may endorse up to three candidates.
6. The Nominating Committee shall have the authority to seek the advice and/or contract the services of internal or external advisors to support the identification and recruitment of candidates for the position of Members of the Tribunal and Executive Secretary of the Tribunal. The funds to cover expenses for external advisors as applicable, shall come from the administrative budgets of the Bank and of the Corporation.
7. The Nominating Committee shall observe the requirements of the Statute of the Administrative Tribunal and shall respect the principles of diversity of gender and geographic diversity in the Tribunal's membership.
8. If there is a vacancy in the Nominating Committee and the Nominating Committee is required to nominate candidates for the position of Members of the Tribunal or Executive Secretary of the Tribunal, then the authority that appointed the member whose position has become vacant shall appoint a new member to the Nominating Committee to fill the corresponding vacancy for the remainder of the corresponding one-year term. A member so appointed shall be eligible to be reappointed for one additional one-year term.