

BY-LAWS
OF THE
CARIBBEAN DEVELOPMENT BANK

APPROVED BY THE BOARD OF GOVERNORS AT THE INAUGURAL
MEETING HELD ON 31ST JANUARY, 1970 AND AMENDED BY
BOARD OF GOVERNORS RESOLUTIONS NOS. 8/74 (MAY 1974),
3/85 (MAY 1985) AND 4/99 (MAY 1999)

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These By-Laws are adopted under the authority of the Agreement establishing the Caribbean Development Bank (hereinafter referred to as the Agreement), and are intended to be complementary to the Agreement and shall be construed accordingly. In the event of a conflict between the provisions of these By-Laws and the provisions of the Agreement, the provisions of the Agreement shall prevail. In the event of a conflict between these By-Laws and any rules and regulations adopted pursuant to the Agreement, the By-Laws shall prevail.

SECTION 1

Meetings of the Board of Governors

(a) The Annual Meeting of the Board of Governors shall be held at such place and date as the Board shall determine upon the recommendation of the Board of Directors; the Board of Directors may change the place and the date of the Meeting if it considers that special circumstances make it necessary to do so.

(b) The Board of Governors shall hold such other Meetings as may be provided for by it or called by the Board of Directors. Meetings of the Board of Governors other than the Annual Meeting shall be called by the Board of Directors whenever requested by a majority of the members of the Bank.

(c) A majority of the total number of Governors shall constitute a quorum for any Meeting of the Board of Governors, provided such majority represents not less than two-thirds of the total voting power of the members.

(d) The Directors and their Alternates may, unless the Governors otherwise direct, attend any Meeting of the Board of Governors and participate therein, but shall not vote unless entitled to do so as a Governor or Alternate Governor.

(e) The Chairman of the Board of Governors, in consultation with the President may, invite observers to attend any Meeting of the Board of Governors.

SECTION 2

Notice of Meetings of the Board of Governors

The President of the Bank shall cause notice of the time and place of each Meeting of the Board of Governors to be given to each member of the Bank by cable, telegram or other rapid means. Such notifications must be dispatched at least sixty (60) days before the date of each Annual Meeting and at least thirty (30) days before the date of a Special Meeting. In case of emergency, notification by telegram or cable at least ten (10) days before the date fixed for the Meeting shall be sufficient. The requirements of this Section may be waived by the unanimous agreement of all the Governors.

SECTION 3

Agenda for Meetings of the Board

(a) The President shall prepare, under the direction of the Board of Directors, a provisional agenda for each Meeting of the Board of Governors and shall cause such agenda to be transmitted to each member of the Bank together with or in advance of the notice of the Meeting.

(b) Additional subjects may be placed on the agenda for any Meeting of the Board of Governors by any Governor by giving notice thereof to the President at least fifteen (15) days prior to the date of the Meeting. Members shall be notified of such additions through a supplementary list that shall be communicated to members at least eight (8) days before the date fixed for the Meeting.

(c) In special circumstances the President, at the direction of the Board of Directors, may at any time add subjects to the agenda for any Meeting of the Board of Governors. The President shall notify each Governor of such additions as promptly as possible.

SECTION 4

Chairman and Vice-Chairman

(a) At the end of its Inaugural Meeting and at the end of each Annual Meeting the Board shall elect one of its Governors to be Chairman and two other Governors to be Vice-Chairmen and they shall serve in their respective positions until the end of the next Annual Meeting of the Board. In the absence of the Chairman, one of the Vice-Chairmen designated by the Chairman shall act in his place.

(b) Except as otherwise specifically directed by the Board, the President, jointly with the Chairman of the Board shall have charge of all arrangements for the holding of Meetings of the Board.

SECTION 5

Secretary

The Secretary of the Bank shall serve as Secretary of the Board of Governors.

SECTION 6

Voting*

(a) Except as otherwise expressly provided in the Agreement, all matters before the Board of Governors shall be determined by a majority of the voting power of the members represented at the Meeting. At any Meeting the Chairman may ascertain the sense of the Meeting in *lieu* of a formal vote but a formal vote shall be taken whenever requested by any Governor; in this event the written text of the proposal to be voted upon shall be distributed to the Governors.

(b) No Governor or Alternate may vote by proxy at any Meeting of the Board of Governors.

Note:

*Amended by Board of Governors Resolution No. 8/74

SECTION 7

Record of Proceedings

The Board shall keep a summary record of its proceedings which shall be available to all members and kept on file at the Bank

SECTION 8

Language

At Meetings of the Board the working language shall be English.

SECTION 9

Special Procedures

Whenever the Board of Directors considers that a decision of the Board of Governors should not be postponed until the next Annual Meeting of the Board of Governors and does not warrant the calling of a Special Meeting of that Board, the Board of Directors shall cause to be transmitted to each Governor, by any rapid means of communication, its proposals relating to that matter with a request for a vote thereon. Votes on the proposals shall reach the Bank within such period as may be determined by the Board of Directors. Upon the expiration of that period, the Board of Directors shall record the result and the President shall communicate the result to all members. If replies are not received from a majority of the Governors representing not less than two-thirds of the total voting power of the members, the proposals shall be considered lost.

SECTION 10

Terms and Conditions of Service - Governors

Governors and their Alternates shall perform their duties without remuneration from the Bank. Their reasonable expenses incurred in attending Meetings of the Board of Governors, commencing with the Third Annual Meeting of the Board of Governors, shall be paid by the Bank, to the extent that they are not paid or reimbursed from any other source.

SECTION 11

Terms and Conditions of Service - President

The salary of the President shall be as determined by the Board of Governors. The Bank shall also pay a special representation allowance and any reasonable expenses incurred by the President in connection with his service to the Bank (including travelling and transportation expenses for himself, and expenses for his immediate family, and his personal effects in moving once to the seat of the Bank during or immediately before his term of office and in moving once from the seat during or immediately after his term of office). The President may participate in such insurance, medical, pension, retirement and other plans as may be established for the staff of the Bank. In addition, the Bank, at its expense, will provide the President with suitable furnished housing. The term of office of the President shall be for such period not exceeding five years, as the Board of Governors shall from time to time determine and he shall be eligible for re-election.

SECTION 12

Terms and Conditions of Service - Vice-Presidents*

The salary and terms of office of each Vice-President shall be determined by the Board of Directors. The Bank shall also pay any reasonable expenses incurred by each Vice-President in connection with his service to the Bank (including travel and transportation expenses for himself, and expenses for his immediate family, and his personal effects in moving once to the seat of the Bank during or immediately after his term of office). When a Vice-President performs the duties of the President, he shall be paid a special representation allowance. Each Vice-President may participate in such insurance, medical, pension, retirement and other plans as may be established for the staff of the Bank.

SECTION 13

Terms and Conditions of Service — Directors

(a) **Service:** Each Director and his Alternate shall devote to the activities of the Bank such time and attention as the interests of the institution may require.

(b) **Remuneration and Expenses:** Directors and their Alternates shall receive such remuneration as the Board of Governors shall determine. Their reasonable expenses incurred in attending Meetings of the Directors or Committees thereof shall be paid by the Bank to the extent they are not paid or reimbursed from any other source.

(c) **Other Services:** The Bank shall provide such secretarial and staff services, office space, and other facilities as may be necessary for the performance of the duties of the Directors and their Alternates.

Note:

* Amended by Board of Governors Resolution No. 3/85

SECTION 14

Delegation of Powers to Board of Directors

The Board of Directors is authorised by the Board of Governors to exercise all powers of the Bank with the exception of those expressly reserved to the Board of Governors by paragraph 2 of Article 27 and other provisions of the Agreement.

SECTION 15

Special Representation of Members at Meetings of the Board of Directors

When the Board of Directors is to consider any matter particularly affecting a member it shall duly inform the member through the most rapid means of communication of the date set for taking up that matter. The Board of Directors shall adopt no final decision concerning such matter particularly 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 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 15A *

Decision by the Board of Directors without Meetings

** (a) The President may request Directors to take a decision without a Meeting whenever:

- (i) a decision of the Board of Directors is required on any matter concerning loans, guarantees, investments in equity capital or the provision of technical assistance and the next Meeting of the Board is scheduled to take place more than twenty-eight (28) days after the date on which his proposal relating to that matter will be transmitted to Directors; or
- (ii) the President considers that a decision of the Board on any matter should not be postponed until the next scheduled Meeting of the Board and does not warrant the calling of a Special Meeting of the Board.

(b) The President shall cause to be transmitted to each Director, by any rapid means of communication, his proposals relating to that matter with a request for a decision thereon within a period specified by him.

(c) Each Director's decision shall be communicated to the Bank so as to reach the Secretary of the Bank within the period specified by the President. At the expiration of that period, the Secretary of the Bank shall record the results and the President shall communicate the results to all Directors.

Note:

* Added by Board of Governors Resolution No. 8/74

** Amended by Board of Governors Resolution No. 4/99

^{*}(d) A decision shall not be regarded as having been taken by the Board of Directors pursuant to this Section unless:

- (i) the number of replies received within the period specified under paragraph (b) of this Section represents a quorum of the Board pursuant to paragraph 2 of Article 31 of the Agreement; and
- (ii) members representing the majority of the voting power of the members replying vote in favour of the proposal relating to the matter for consideration by the Board.

^{*}(e) Notwithstanding the provisions of paragraph (d) of this Section, a decision on any matter referred to in paragraph (a) (i) of this Section shall not be regarded as having been taken by the Board if a Director or, in his absence, his Alternate, requests that the proposal relating to the matter for consideration by the Board be discussed at a Meeting of the Board.

Note:

^{*}Amended by Board of Governors Resolution No. 4/99

Note:

^{*}Amended by Board of Governors Resolution No. 4/99

SECTION 16

Vacancies on the Board of Directors

When a new Director must be selected because of a vacancy, the President shall notify the members which selected the former Director of the vacancy and they shall select a new Director.

SECTION 17

Rules and Regulations

The Board of Directors is authorised 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. Any rules and regulations so adopted, and any amendments thereto, shall be subject to review by the Board of Governors at its next Annual Meeting.

SECTION 18

Report of the Board of Directors

At each Annual Meeting of the Board of Governors, the Board of Directors shall submit an Annual Report on the operations and policies of the Bank, including a separate report on the activities of the Special Funds of the Bank established or accepted in accordance with Article 8 of the Agreement.

SECTION 19

Financial Year

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

SECTION 20

Budget and Auditing of Accounts*

(a) The accounts of the Bank shall be audited at least once a year by external auditors of high international standing selected by the Board of Governors. On the basis of the audit, the Board of Directors shall submit to the Board of Governors for approval at its Annual Meeting a financial statement of the organisation, including the general balance sheet and a statement of profit and loss. A separate financial statement shall be submitted for the operations of Special Funds.

(b) The President shall prepare an annual administrative budget, which he shall submit to the Board of Directors for approval. The budget, as approved, shall be submitted to the Board of Governors at its next Annual Meeting.

(c) Notwithstanding the above provisions, the President shall submit to the Board of Directors for approval not later than three months after the Inaugural Meeting of the Board of Governors, the administrative budget of the Bank for its first financial year of operations.

SECTION 21

Application for Membership in the Bank

When submitting an application for membership to the Board of Governors, the Board of Directors, after consultation with the applicant country, shall recommend to the Board of Governors the number of shares of capital stock to be subscribed and such other conditions as, in the opinion of the Board of Directors, the Board of Governors may wish to prescribe.

SECTION 22

Suspension of Membership

Note:

* Amended by Board of Governors Resolution No. 8/74

Before any member is suspended from membership in the Bank, the matter shall be considered by the Board of Directors, which shall inform the member of the complaint against it and of the date of the meeting fixed for consideration of the matter, and shall give the member a reasonable time at the meeting to explain its case both orally and in writing. The Board of Directors shall thereafter 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 at the Meeting of the Board of Governors in which to present its case orally and in writing before the Board of Governors. Any member may waive this right.

SECTION 23

Amendments

These By-Laws may be amended only by the Board of Governors.