



OFFICE OF INTEGRITY,
COMPLIANCE AND
ACCOUNTABILITY

2022

ANNUAL REPORT



ABOUT THIS ANNUAL REPORT

The Caribbean Development Bank (CDB) is a regional financial institution established in 1969 and commenced operations in 1970 for the purpose of contributing to the harmonious economic growth and development of its Borrowing Member Countries (BMCs). In addition to the 19 BMCs, CDB's membership includes four regional non-borrowing countries - Brazil, Colombia, Mexico and Venezuela, and five non-regional, non-borrowing countries - Canada, China, Germany, Italy and the United Kingdom.

The Office of Integrity, Compliance and Accountability (ICA) is an independent office of CDB that was established by the Board of Directors (BOD) on December 1, 2015. ICA is mandated to operationalise, manage and refine the Strategic Framework for Integrity, Compliance and Accountability (Strategic Framework). The BOD oversees ICA through its Oversight and Assurance Committee (OAC).

ICA is mandated to publish an Annual Report as part of its policy obligations to the Board and beneficiaries of the Bank, pursuant to the Strategic Framework. The publication is targeted towards the Bank's stakeholders, specifically the Board of Governors, BOD, members of staff, development partners, interest groups, the media and the public. The Report will be made accessible electronically via online channels including the Bank's website.





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STATEMENT FROM THE HEAD OF THE OFFICE OF INTEGRITY, COMPLIANCE AND ACCOUNTABILITY (ICA)



ICA's contribution to CDB and its drive for a productive, stable and resilient Caribbean

Dr. Toussant Boyce

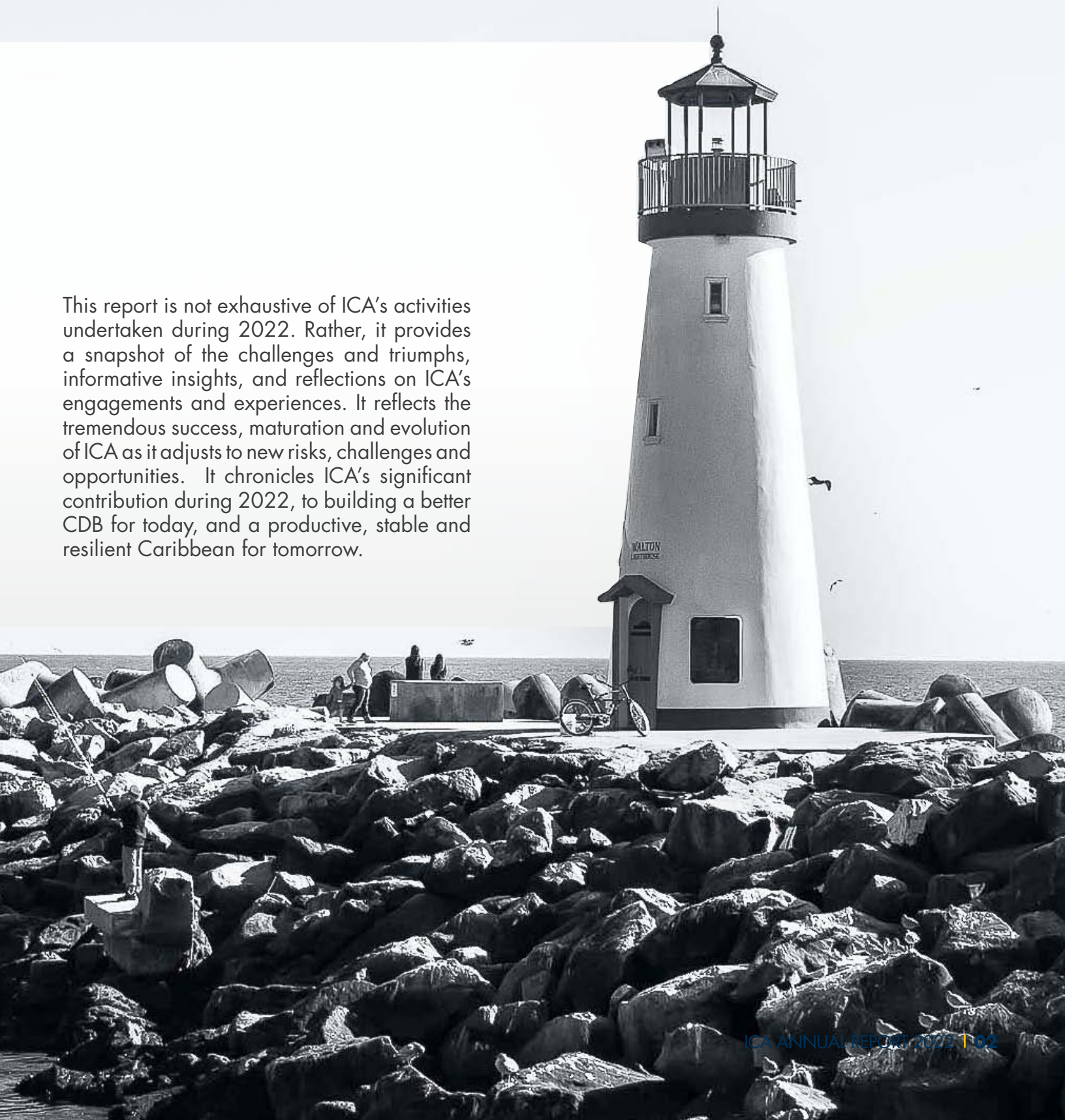
Each year, ICA publishes an annual report of its key activities in accordance with ICA's Board-approved mandate to operationalise and manage CDB's Strategic Framework for Integrity, Compliance and Accountability.

This report covers ICA's work during 2022 and illustrates how ICA delivers value and supports CDB's internal governance. It is written to be understood by everyone, from the most devoted development banker to the least sophisticated stakeholder who is keen to learn

more about ICA. It provides a brief overview of the office and is structured thematically around the four pillars of ICA's mission and prevention-focused strategy. Pillar I covers Institutional Integrity, Ethics and Whistleblowing. Pillar II covers Compliance. Pillar III covers Project Accountability. Pillar IV covers collaboration with other International Financial Institutions (IFIs) and development partners to develop international best practices that could enhance the effectiveness of the Strategic Framework and ICA.



This report is not exhaustive of ICA's activities undertaken during 2022. Rather, it provides a snapshot of the challenges and triumphs, informative insights, and reflections on ICA's engagements and experiences. It reflects the tremendous success, maturation and evolution of ICA as it adjusts to new risks, challenges and opportunities. It chronicles ICA's significant contribution during 2022, to building a better CDB for today, and a productive, stable and resilient Caribbean for tomorrow.

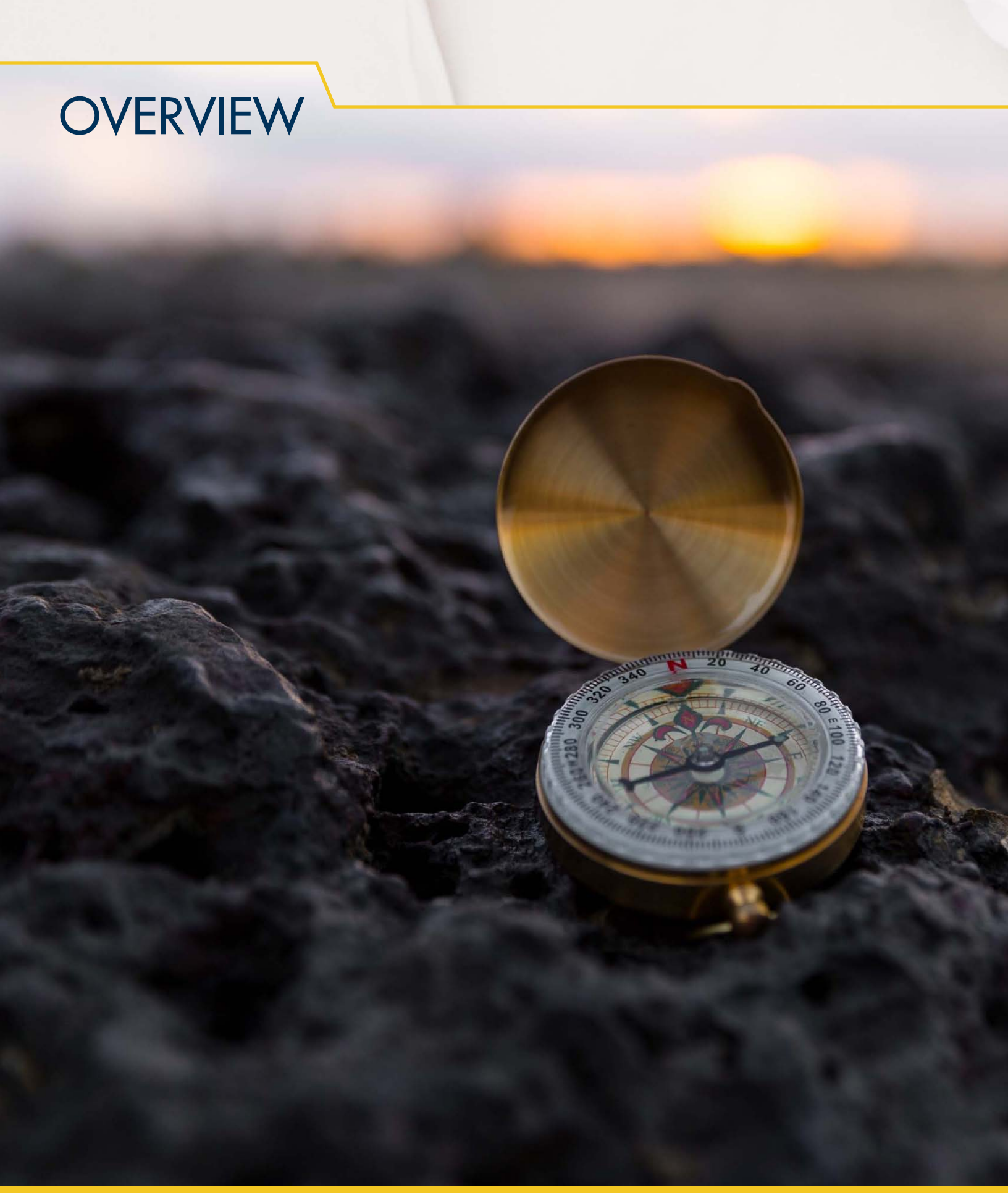


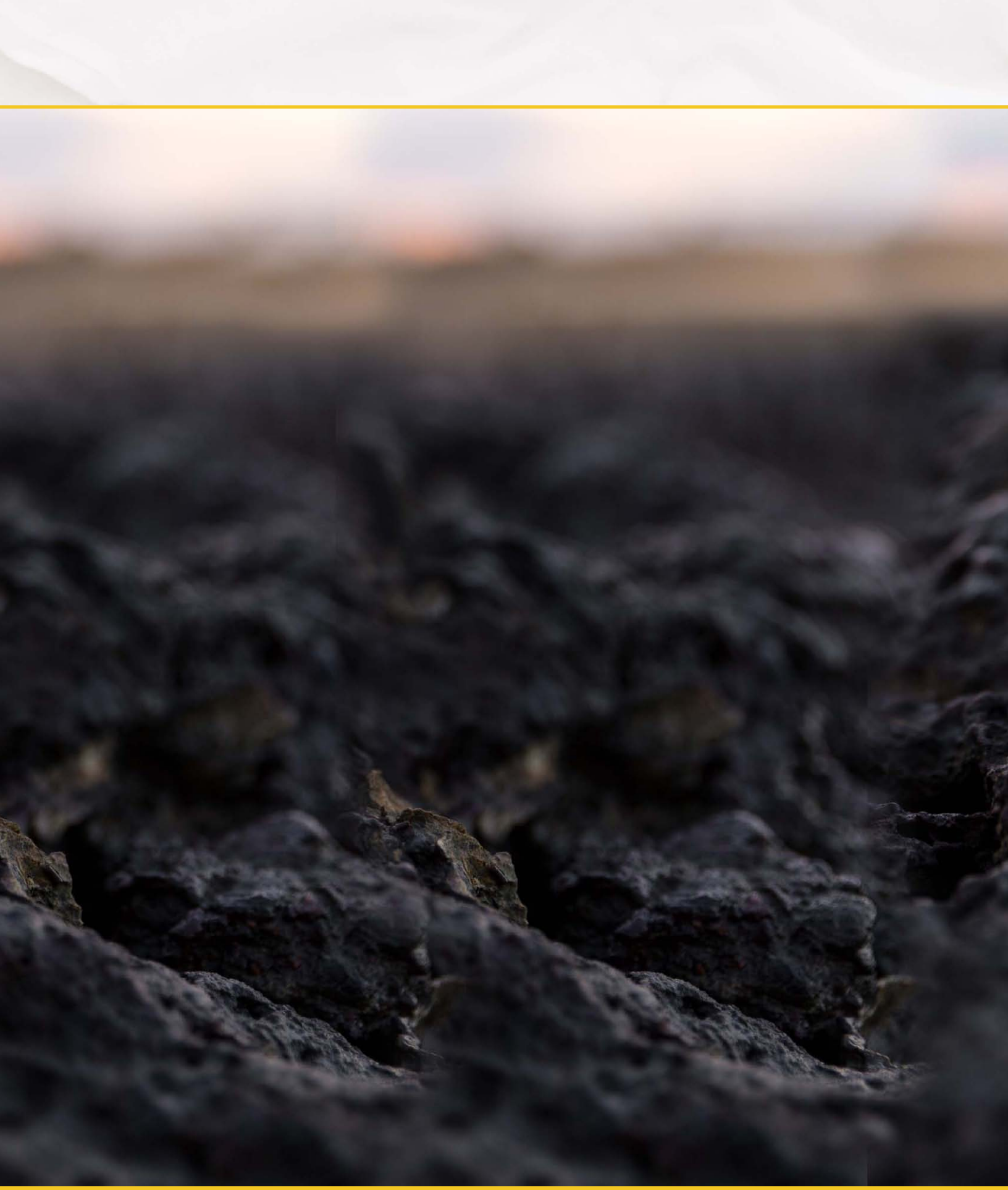
ICA'S MISSION

ICA helps CDB to meet its fiduciary duty through the detection, prevention, investigation, suspension, and sanction of wrongdoers. ICA uses several methods and mechanisms including internal training, capacity building, outreach, and thought leadership to CDB's Borrowing Member Countries (BMCs). ICA's mission is to help ensure that CDB adheres to the highest standards of integrity, ethics, compliance, transparency, and accountability. This mission is delivered through a strategic internal governance framework that is designed to be consistent with modern best practices of IFIs and tailored to the Bank.



OVERVIEW





OVERVIEW

CDB was established through a treaty among its member countries in October 1969 and commenced operations in 1970.

CDB'S FIDUCIARY DUTY

Article 15 of the Agreement Establishing the Caribbean Development Bank (Charter) imposes a fiduciary duty on the Bank to ensure that every dollar of development resource loaned or granted to the Bank is used for its intended purpose. This fiduciary duty requires CDB to identify, assess, mitigate and remediate, as far as possible, any integrity and other risks to CDB's mission, internal systems and external operations.

CDB'S STRATEGIC FRAMEWORK AND ICA WITH CDB'S ORGANISATIONAL STRUCTURE

To help meet the requirements of CDB's fiduciary duty, in March 2015, the Board of Directors (BOD) of the Bank approved a Strategic Framework for Integrity, Compliance and Accountability (Strategic Framework).

Pursuant to the Strategic Framework, BOD approved a suite of relevant policies and an internal independent office within the Bank's organisational structure, to be overseen by its Oversight and Assurance Committee (OAC).

ICA'S MISSION

ICA helps CDB to meet its fiduciary duty through the detection, prevention, investigation of wrongdoing and the suspension and sanction of wrongdoers. ICA uses several methods and mechanisms such as internal training, capacity building, outreach and thought leadership to CDB's Borrowing Member Countries (BMCs). ICA's mission is to help ensure that CDB adheres to the highest standards of integrity, ethics, compliance, transparency and accountability. This mission is delivered through a strategic internal governance framework that is designed to be consistent with the modern best practices of International Financial Institutions (IFIs) and tailored to the Bank in accordance with ICA's strategy.

ICA'S MANDATE

ICA's work started on the first day of its establishment on December 1, 2015. Later, in January 2016, ICA commenced a fully accelerated operationalisation of the Strategic Framework. ICA's mandate is to operationalise, manage and refine the Strategic Framework. ICA's mandate includes managing risks to CDB that may arise from: (a) integrity risks like fraud, corruption and cybercrime, specifically cyber-fraud; (b) compliance-related risks from money laundering, terrorist financing (AML/CFT) and financial sanctions; (c) internal staff misconduct relating to breaches of the Bank's Code of Conduct; and (d) citizen-driven complaints of environmental and social harm from projects financed by CDB, which are handled through a Projects Complaints Mechanism (PCM). ICA also manages the Bank's Whistleblower System.

ICA'S ORGANISATIONAL STRUCTURE

Structurally, ICA manages five internal governance functions converged in a single office. These functions are: (1) institutional integrity; (2) ethics; (3) whistleblowing; (4) compliance; and (5) accountability. They cover the core legacy and modern internal governance functions that are typically managed by multiple independent offices at Multilateral Development Banks (MDBs) and other IFIs. The intended key activities for each ICA function are outlined in the graphic in **Table 1** below.

ICA's KEY ACTIVITIES	 WB	 INT	 ETH	 COMP	 ACCT
Risk Assessments	•	•	•	•	•
Prevention		•	•	•	•
Complaints Intake	•	•	•	•	
Screening	•	•	•	•	
Confidential Handling	•	•	•	•	•
Preliminary Assessments		•	•	•	
Eligibility Assessments					•
Recommendations	•	•	•	•	•
Advisory Opinions	•	•	•	•	•
Enhanced Due Diligence		•		•	
Internal Investigations		•	•	•	
External Investigations		•		•	•
Dispute Resolution					•
Compliance Review					•
Advisory					•
External Referrals	•	•	•	•	•
Monitoring		•			•
Training	•	•	•	•	•

Table 1:
ICA's Key Activities



ICA'S STRATEGY

ICA's approach to operationalising the Strategic Framework is: (a) risk-based and proportional; (b) strategic, to prioritise the prevention of violations, which helps to reduce the volume of costly investigative activities; (c) incremental; and (d) phased. ICA's operationalisation strategy enables the Strategic Framework and ICA to evolve in a manner that is tailored to CDB's risks, operating environment, needs, size and resources. ICA's strategy is reflected in ICA's four pillars that cover all five functions.

HOW ICA'S STRATEGY DELIVERS VALUE TO CDB

ICA is fundamental to CDB's internal governance architecture and operations. ICA helps the Bank:

- (a) at the **front-end**, to function as a robust financial institution that is attractive to its members and its funders. In this way, ICA helps the Bank to harness and deploy funding effectively and to the intended beneficiaries in accordance with CDB's fiduciary duty in the Charter;
- (b) **at all times**, to identify proactively, prevent and mitigate reputational damage and financial loss from fraud, corruption and other related risks and activities; and
- (c) **at the back-end**, to respond reactively to all complaints alleging integrity violations, ethics violations and accountability-related (environmental and social) harm, and to independently assess, investigate and resolve all issues by itself or in collaboration with other IFIs and stakeholders.

ICA'S RISK RADAR FOR 2022

ICA identifies and seeks to mitigate proactively and reactively, any vulnerabilities relevant to ICA's mandate in the Bank's internal systems and external operations. The key vulnerabilities on ICA's Risk Radar for the first half of 2022, are as illustrated in **Figure 2** below.



Figure 2:
ICA's Risk Radar for 2022

PILLAR I

WHISTLEBLOWING,
ETHICS AND INTEGRITY

A close-up photograph of a hand holding a white puzzle piece. The word "ETHICS" is printed in large, dark blue, sans-serif capital letters on the puzzle piece. The background is a soft-focus blue and white, suggesting other puzzle pieces and a light-colored surface.

ETHICS



PILLAR I: WHISTLEBLOWING, ETHICS AND INTEGRITY

INTAKE

ICA manages the Bank's Whistleblower System, which has six reporting channels: (a) a globally accessible hotline that facilitates collect calls; (b) a globally accessible online webform, which, together with the hotline, is linked directly to ICA's Case Management System (CMS); (c) emails; (d) telephone; (e) mail; and (f) office visits. The statistics shown in **Figures 3** and **4** overleaf illustrate cases by Tier and Intake Method as of December 2022.

Consistent with its operationalisation strategy to prioritise prevention of wrongdoing, ICA continued to help ensure that all frontline staff are equipped to help protect the Bank by using the tools in the IDD Toolkit and their own good judgment to make appropriate referrals to ICA. Prior to the introduction of the IDD Toolkit and training, frontline staff at Line 1 submitted all matters for ICA review at Line 2.

ICA conducted Enhanced Due Diligence (EDD) investigative activities on matters submitted for review to ICA. EDD is intended to assist frontline staff in ensuring that the pipeline-delivered projects were properly assessed, as far as possible, for integrity, money laundering and other risks. During 2022, ICA conducted EDD on a lesser number of firms and individuals than during 2021, as a higher number of frontline staff had been trained to conduct Simplified or Standard Due Diligence that did not require escalation to ICA for EDDs.

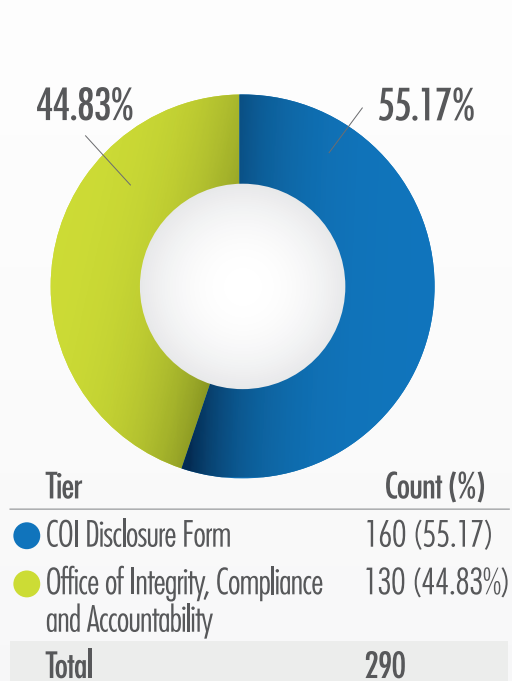


Figure 3:
Whistleblowing: Intake Statistics Through the CMS as of December 31, 2022, by Tiers

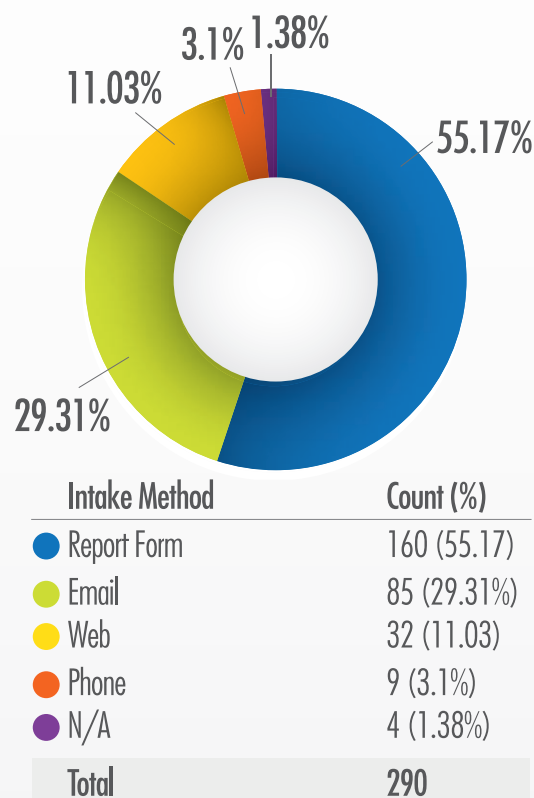


Figure 4:
Whistleblowing: Intake Statistics Through the CMS as of December 31, 2022, by Intake Method

PREVENTION: INTERNAL ADVISORIES FOR INSTITUTIONAL INTEGRITY AND ETHICS

ICA uses internal advisories for all staff as part of its work to undertake proactive steps to prevent the occurrence or recurrence of integrity and ethics violations. To date, for 2022, ICA has issued two major formal advisories, multiple email advisories and a verbal advisory to staff during a town hall meeting in August 2022.

The first formal advisory is related to institutional integrity issues for a matter that is currently under investigation.

The second advisory issued during 2022 related to cyber-fraud, which is a risk that was identified on ICA's Risk Radar.

INVESTIGATIONS AND TEMPORARY SUSPENSIONS

ICA conducted a wide range of investigative activities during 2021 in addition to continuing and closing matters carried over from 2021, which required further investigation. Investigative matters included the continuation or commencement of integrity cases, ethics cases, EDD reviews of firms and individuals, and conflicts of interest declarations, which are made together with Code of Conduct attestations, as illustrated in **Figure 5** below.

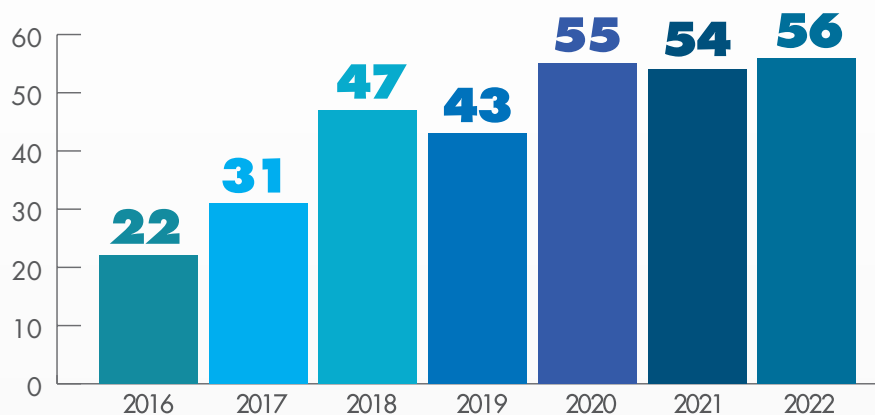


Figure 5:
ICA Investigative Activities (January 2016 to December 2022)

ICA managed 56 investigative activities during 2022, which included integrity cases, ethics cases, and EDDs. Of these, 6 investigations were carried over from 2021, while 13 were new investigations. 8 of these investigations were Integrity investigations and 5 of them were Ethics investigations. ICA also managed 43 EDD investigative activities, of which 36 were of firms and 7 were of individuals. ICA also imposed temporary suspensions on two firms and three individuals. These cases may progress to the Sanctions Officer upon completion of the investigation pursuant to which the temporary suspensions were issued.

ICA managed 233 responses, which are Conflicts of Interest Declaration and Code of Conduct Attestation submissions from members of staff and which represents 100% staff submission rate. The responses included 65 disclosures which ICA had to assess and investigate for actual, apparent and potential conflicts of interest.

PILLAR II

COMPLIANCE - AML/CFT AND FINANCIAL SANCTIONS



COMPLIANCE: DUE DILIGENCE AND TRAINING

ICA conducted Counterparty Due Diligence for the purpose of collecting Know Your Customer (KYC) information on their financial counterparties. ICA also conducted due diligence and compliance checks on financial institutions and other entities that were planning to engage with the Bank as financial counterparties.

In addition, ICA provided training for CDB members of staff, as outlined in **Appendix 1** below.

ANNUAL CONFERENCE OF THE ASSOCIATION OF CERTIFIED ANTI-MONEY LAUNDERING SPECIALISTS (ACAMS)

On March 20 and 21, 2022, the Head of ICA was invited by ACAMS to speak at the ACAMS Hollywood Annual Conference 2022 in Florida, United States of America, where he:

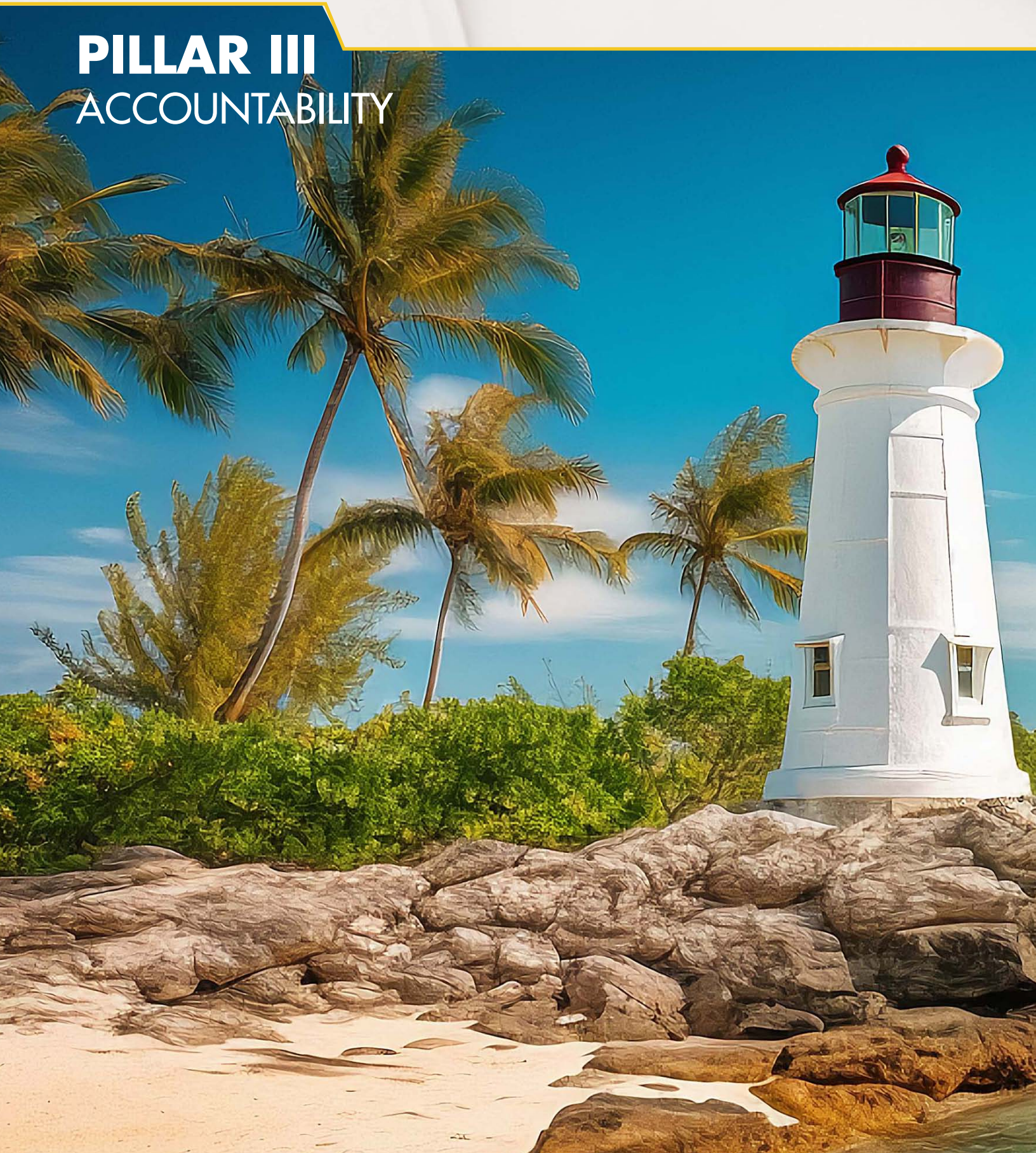
- (a) participated in multiple training sessions on modern money laundering trends;
- (b) co-facilitated a networking session for Caribbean and Latin American certified anti-money laundering specialists and other professionals; and
- (c) was a Speaker on a panel titled, 'AML, TBML and Correspondent Banking in a Post-COVID Context' as part of a panel discussion on 'De-risking of Correspondent Banking Relationships'.

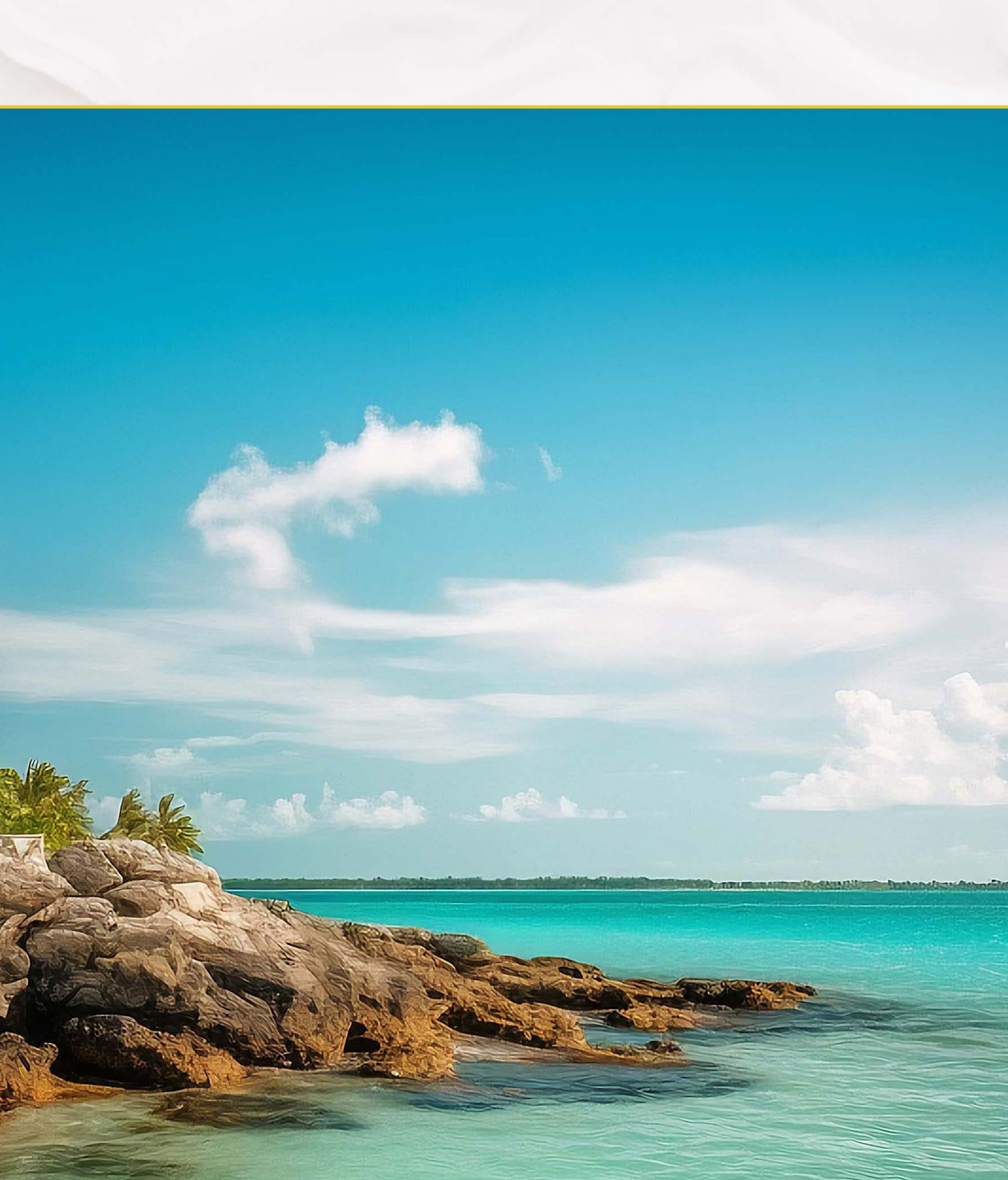
CARIBBEAN CONFERENCE OF THE ACAMS (2022) PANEL ON HUMAN TRAFFICKING AND TRADE-BASED MONEY LAUNDERING (TBML)

On December 9, 2022, the Head of ICA functioned as a Speaker and moderator for a virtual panel discussion titled, 'Human Trafficking and Trade-Based Money Laundering: Shining Light on Dark Money for the Annual ACAMs Caribbean Conference'. The presentation focused on understanding the AML risks posed by human trafficking in the Caribbean and reviewing regional case studies and new developments. It also used case studies to identify red flags and strategies for the detection and prevention of TBML in the Caribbean.

PILLAR III

ACCOUNTABILITY





ACCOUNTABILITY

ACCOUNTABILITY: PROCEDURES FOR ICA'S PROJECTS COMPLAINTS MECHANISM

Pursuant to the Project Complaints Mechanism Policy, as of December 31, 2022, ICA has completed the Projects Complaints Mechanism Procedures (PCM Procedures). The comprehensive PCM Procedures were re-drafted in accordance with international best practices, benchmarking and learning from consultations and engagements with other Independent Accountability Mechanism. They were done by an ICA Accountability Consultant, who is a drafting specialist, under the guidance of the Head of ICA and in collaboration with the Legal Department.

The completion of the new PCM procedures is a significant achievement for ICA and CDB. The version will be launched and implemented during Q1 2023.

INREACH: TRAINING AND CONSULTATIONS ICA'S Prevention Strategy Related to Training

ICA's strategy to operationalise the Strategic Framework prioritises the prevention of wrongdoing. ICA is mandated to undertake all steps to prevent corruption, fraud and other integrity and ethics violations. One key step is to train the Bank Staff on the relevant provisions of CDB's Strategic Framework, Code of Conduct and other policies and procedures that support the maintenance of a culture that promotes integrity and ethics. ICA designs and delivers such training; however, the Bank management has the primary responsibility to ensure that all of its staff members, including the management itself, receive such training.

Annually, each member of staff is required to:

- (a) attend at least one of three mandatory ICA training sessions. The mandatory training is supplemented by other special, voluntary, and targeted trainings on various topics, which are delivered by ICA throughout the year. Special topics covered in recent years include cybercrime, gender-based violence, and sexual exploitation and abuse; and
- (b) complete a quiz based on the ICA mandatory training.

MANDATORY TRAINING 2022 - All Functions and Induction Training

ICA is mandated by its Terms of Reference to undertake all steps to ensure the prevention and detection of fraud and other integrity and ethics violations. Training is the key pillar of successful prevention. ICA delivered trainings on ICA-related issues aligned with its strategy to prioritise prevention on February 17, February 23, and March 8, 2022 to all staff and in September, to the management.

This mandatory induction training covered the following topics and included an extensive case study that covered over 30 scenarios of ethical challenges for staff:

- **Overview of CDB's Strategic Framework (All Functions) and ICA**
- **Case Study: Integrity, Ethics (Code of Conduct) and Accountability**
 - Staff misconduct: conflicts of interest, harassments, gifts, fraudulent acts etc.
- **Whistleblowing (Whistleblower System)**
 - Duty reporting and cooperation
 - Demonstration: How to report wrongdoing through the CDB Whistleblower System
 - Demonstration: How to use the new Annual Conflict of Interest Disclosure Portal
- **Lessons Learnt (All Functions)**
 - Sharing lessons from select ICA cases/investigations (2016–21)
 - Collaboration with ITSD: Cyber-threats, training and simulations for 2022

Appendix 1 provides a list of the subject matter of all ICA trainings delivered during 2022, including the anti-corruption, money laundering and cybercrime training delivered during the Caribbean Conference on Corruption, Compliance and Cybercrime, 2022.

DIGITALISATION AND CENTRALISATION OF ICA'S E-TOOLS

As of December 31, 2022, ICA has fully digitalised its IDD Toolkit and made it available to all staff on ICA's Intranet page.

ICA'S PREVENTION STRATEGY RELATED TO CONFLICTS OF INTEREST

Another key prevention strategy utilised by ICA is to enable members of staff to disclose confidentially, any apparent, potential, or actual conflicts of interest, thus enabling ICA and the Bank to review, assess, investigate, and resolve such conflicts. This process requires members of staff to:

- (a) disclose whether there is any actual, apparent or potential conflict of interest between their private interests and their official duties to CDB. Each submission is made digitally using a questionnaire, through a Conflicts of Interest Portal, which helps CDB to detect, assess and resolve conflicts of interest; and
- (b) attest to the Human Resources Division that they have read and understood the Code of Conduct. For the convenience of the staff, attestations are made to the Human Resources Division through the ICA Conflicts of Interest Disclosure Portal, which enables efficient tracking and case management.

Following the mandatory annual training in February and March, ICA trained staff members on how to use the newly centralised and digitised Annual Conflict of Interest Disclosure Form and Code of Conduct Attestation.

ICA is also drafting a Conflicts of Interest Policy and will conduct further targeted training to enhance awareness among the staff members on the new policy and Conflicts of Interest.

PILLAR IV

COLLABORATION -
OUTREACH, MEETINGS
AND CONFERENCES
WITH IFIs



PILLAR IV: COLLABORATION-OUTREACH, MEETINGS AND CONFERENCES WITH IFIs



Bernie O'Donnell EIB Head of Investigations and Toussant Boyce

During 2022, ICA met and collaborated with independent offices in other MDBs and IFIs to fulfil its mandate. ICA also participated in joint training and outreach exercises pursuant to the Integrity, Ethics and Accountability functions.

ICA contributes to virtual outreach planning meetings among multilateral development banks under its Accountability function. The meetings are arranged by the IAM Network Secretariat, which is currently hosted by the United Nations.

COLLABORATION-OUTREACH

On March 8, 2022, ICA contributed to the CDB-financed ENAF Project Launch in Haiti, by delivering an outreach presentation to Haitian government officials and other stakeholders.

2022 US-CARICOM CARIBBEAN FINANCIAL ACCESS ROUNDTABLE

On April 20, 2022, the Head of ICA accompanied the President during his attendance at the Caribbean Financial Access Roundtable between members of the United States Congress and CARICOM states, which was held at the Lloyd Erskine Sandiford Centre, Barbados, and contributed to discussions on solutions to de-risking.

The Roundtable focused on the theme of 'Correspondent Banking and De-Risking of Correspondent Banking Relationships'.



Dr. Toussant Boyce, (right) Head of ICA and US Rep. Maxine Waters, at the Caribbean Financial Access Roundtable between members of the United States Congress and CARICOM states, which was held at the Lloyd Erskine Sandiford Centre, Barbados in April 2022.

1. COMMONWEALTH CONFERENCE TO ADDRESS CYBERCRIME IN THE CARIBBEAN

During May 9–12, 2022, the Head of ICA, along with two members of staff from the Information Technology Solutions Division and the Legal Department of the Bank, represented CDB at the Commonwealth Conference, to speak about cybercrime in the Caribbean, upon the invitation of the Commonwealth Secretariat. The Conference was held at the Hilton Barbados. The conference provided a forum for highly interactive knowledge exchanges between cyber experts from the Commonwealth and the United States Department of Justice and Interpol, and regional judicial, prosecutorial, law enforcement and other stakeholders. It enabled the participants to gain an understanding of regional cyber vulnerabilities, legal frameworks and technical solutions to challenges that must be overcome to build regional cyber resilience.

The conference concluded with an insightful table-top simulation of a major national cybercrime event that took place in a small island state, causing cross-border impacts. After this, the attendees were required to design and report on technical approaches to effective incident response plans, action plans and business continuity plans.

PILLAR IV: COLLABORATION-OUTREACH, MEETINGS AND CONFERENCES WITH IFIs CONTINUED



CII 2022

2. OAS CYBERCRIME CONFERENCE - IMPROVING CYBERSECURITY TO ADVANCE RESILIENCE OF SILLCDS

On May 26, 2022, the Head of ICA represented CDB at the Special CHS Virtual Meeting of the Organisation of American States. In collaboration with the Bank's IT Governance Manager, he delivered a presentation on CDB's role in the promotion of regional cyber-resilience. He spoke about CDB's drive to build regional resilience and help the delivery of regional cyber-resilience through funding, advocacy, training and awareness, through collaboration and cooperation with regional and extra-regional stakeholders, public private partnerships and thought leadership.

3. CONFERENCE OF INTERNATIONAL INVESTIGATORS, 2022

The Conference of International Investigators (CII) was established in 1999, as a premier forum for investigators of international organisations to exchange ideas, discuss integrity issues, address challenges in fighting fraud, corruption, and other wrongdoing, receive new developments and share leading practices. From May 31 to June 2, 2022, all ICA staff attended the CII's 22nd Conference in person or virtually. CII 2022 was hosted by the European Investment Bank.

The Head of ICA represented CDB as a Speaker on two panels titled:

- Long COVID—new fraud schemes arising from the pandemic; and
- Investigating environmental projects

The conference covered several other topics including:

- Investigating prohibited conduct by senior officials
- Challenges of harassment investigations
- Use of data analytics in proactive detection
- Conducting investigations remotely: lessons learnt from the pandemic
- Re-imagining fraud risk, mapping for smarter fraud, prevention and detection
- Remote mobile forensics: coordination between investigators and digital forensics
- Leveraging OSINT techniques to boost investigations
- Unique challenges of small investigative offices
- Re-imagining zero tolerance approaches to fraud: definitions and tools
- Structured analytical techniques

PILLAR IV: COLLABORATION-OUTREACH, MEETINGS AND CONFERENCES WITH IFIs CONTINUED

4. ENMO 2021- MEETINGS OF HEADS OF ETHICS OFFICES

In early 2021, CDB joined the Ethics Network of Multilateral Organisations (ENMO). During the year, the Head of ICA represented CDB virtually, at the annual ENMO meetings of Heads of Ethics offices from July 5–8, 2022, which covered sessions on:

- Ethical/compliance expectations from the board: the experience of an ethics and board official
- Declaration of interests: program-best practices
- Conflicts of interests and outside activities: from personal to semi-official to official
- What can we learn from behavioral science to increase ethical behavior and prevent misconduct?— examples: interpersonal and financial conduct
- Best practices and innovation in prevention and training in a hybrid environment
- Data analytics: harnessing data to measure impact, proactively identify red flags and focus on prevention efforts
- Whistleblowing: latest trends in encouraging internal whistleblowing and providing protection
- Ethics of artificial intelligence

5. GRIEVANCE REDRESS AND ACCOUNTABILITY MECHANISM TRAINING

On March 23, 2022, and June 21, 2022, ICA attended virtual training seminars hosted by the Grievance Redress and Accountability Mechanism alliance, of which ICA is a member. The seminars covered:

- Practical examples of involuntary resettlement and land acquisition related complaints and their management through problem solving and compliance review
- Practical examples of informed consultation and participation (ICP) and free, prior and informed consent of indigenous peoples (FPIC) and broad community support
- Human rights in safeguard policies

During November 2022, ICA staff attended and completed a virtual Company-Community Mediation training programme provided by the Green Climate Fund in collaboration with the Consensus Building Institute and the MIT- Harvard Public Disputes Program.

6. IFIs PRIVATE SECTOR INTEGRITY MEETING, MDBs ANNUAL MEETING 2022 AND INTEGRITY HEADS MEETING

On September 13 and 14, 2022, the Head of ICA and the General Counsel represented CDB at the IFIs Private Sector Integrity Meeting and the Heads of Integrity Meeting hosted by the Black Sea Trade and Development Bank. In these meetings, the attendees shared about ways to strengthen IFIs' ability to respond to integrity risks, which underscores the critical role of Integrity Offices in the drive to reduce poverty and deliver sustainable development outcomes.

The Head of ICA contributed to discussions on several topics covered, including:

- Identification and verification of operations-related legal and physical persons
- Sources for integrity/compliance checks (screening systems)
- Risk-based approach
- Enhanced due diligence
- AML due diligence on FIs
- Integrity due diligence risk in private equity funds
- Personal data protection and data privacy
- Beyond compliance - issues related to the implementation of Public Policy Goals/ESG/SDG

7. IAMNET 19TH ANNUAL MEETING 2022 AND ACCOUNTABILITY HEADS MEETING

From October 24–27, 2022, all ICA staff attended and contributed virtually to the hybrid 19th Annual Meeting of the Independent Accountability Mechanisms Network (IAMnet).



IAMnet AM 2022 (Virtual)

During the meeting, ICA contributed on matters related to investigating sexual exploitation and abuse and dealing with multi-disciplinary cases. The latter issue involved leveraging tools and expertise available in the Integrity Offices of MDBs to assist Accountability Offices in safeguarding from Sexual Exploitation, Abuse and Harassment and protecting victims and survivors from retaliation. ICA has both Integrity Office and Accountability Office within its five functions.

PILLAR IV: COLLABORATION-OUTREACH, MEETINGS AND CONFERENCES WITH IFIs CONTINUED



8. WORLD BANK IFC CARIBBEAN SEMINAR ON OVERCOMING TRADE CHALLENGES— ADDRESSING TRADE-BASED MONEY LAUNDERING AND RISKS IN TRADE FINANCE DURING THE CARIBBEAN ASSOCIATION OF BANKS ANNUAL MEETING, SAINT LUCIA, OCTOBER 25, 2022

The Head of ICA participated as a Virtual Speaker on trade finance risks and trade-based money laundering at a forum hosted by the World Bank. Other speakers at the forum were from the IFC, Caribbean Financial Action Task Force, Republic Financial Holdings and the United Nations Office on Drugs and Crime.

9. COLLABORATION WITH IDB'S OFFICE OF INSTITUTIONAL INTEGRITY ON DE-RISKING

On November 10, 2022, the staff members responsible for prevention from the Office of Institutional Integrity of the Inter-American Development Bank invited ICA to a collaborative discussion on IDB's plans to identify and operationalise key solutions to de-risking of correspondent banking relationships for the Caribbean.

The two teams discussed CDB's 2016 Discussion Paper on Strategic Solutions to De-risking of Correspondent Banking Relationship, updates from ICA on new issues, insights on how to identify and operationalise such solutions and strategies for future collaborations on the issue.



On December 7 and 8, 2022, CDB hosted the third free annual virtual CDB Caribbean Conference on Corruption, Compliance and Cybercrime (3Cs). The 3Cs were conceptualised by the Head of ICA and delivered by ICA on behalf of CDB. The theme for the 3Cs 2022 was ‘Good Governance for the Sustainable Development of the Caribbean.’

As was the case with the initial 3Cs 2020 and 3Cs 2021, which turned out to be highly successful, the speakers, moderators, and other contributors for 3Cs 2022 included over 50 experienced professionals. They addressed a virtual audience of over 1200 registered attendees from over 50 countries. The target audience included anti-corruption practitioners, anti-money laundering specialists, cyber-crime professionals, development bankers, policy makers, regulators, law enforcement personnel, academics, private sector personnel, civil society leaders and students. Attendees gave 3Cs 2022 a score of 9 out of 10 (Excellent) and attended the conference for an average of 7 hours and 21 minutes.

3Cs is convened annually, specifically on dates that coincide with International Anti-Corruption Day, which is observed globally on December 9 by governments and organisations, particularly publicly-funded international organisations. 3Cs 2022 delivered a high level of education and thought leadership. It convened thought-leaders from across the world to share and discuss new

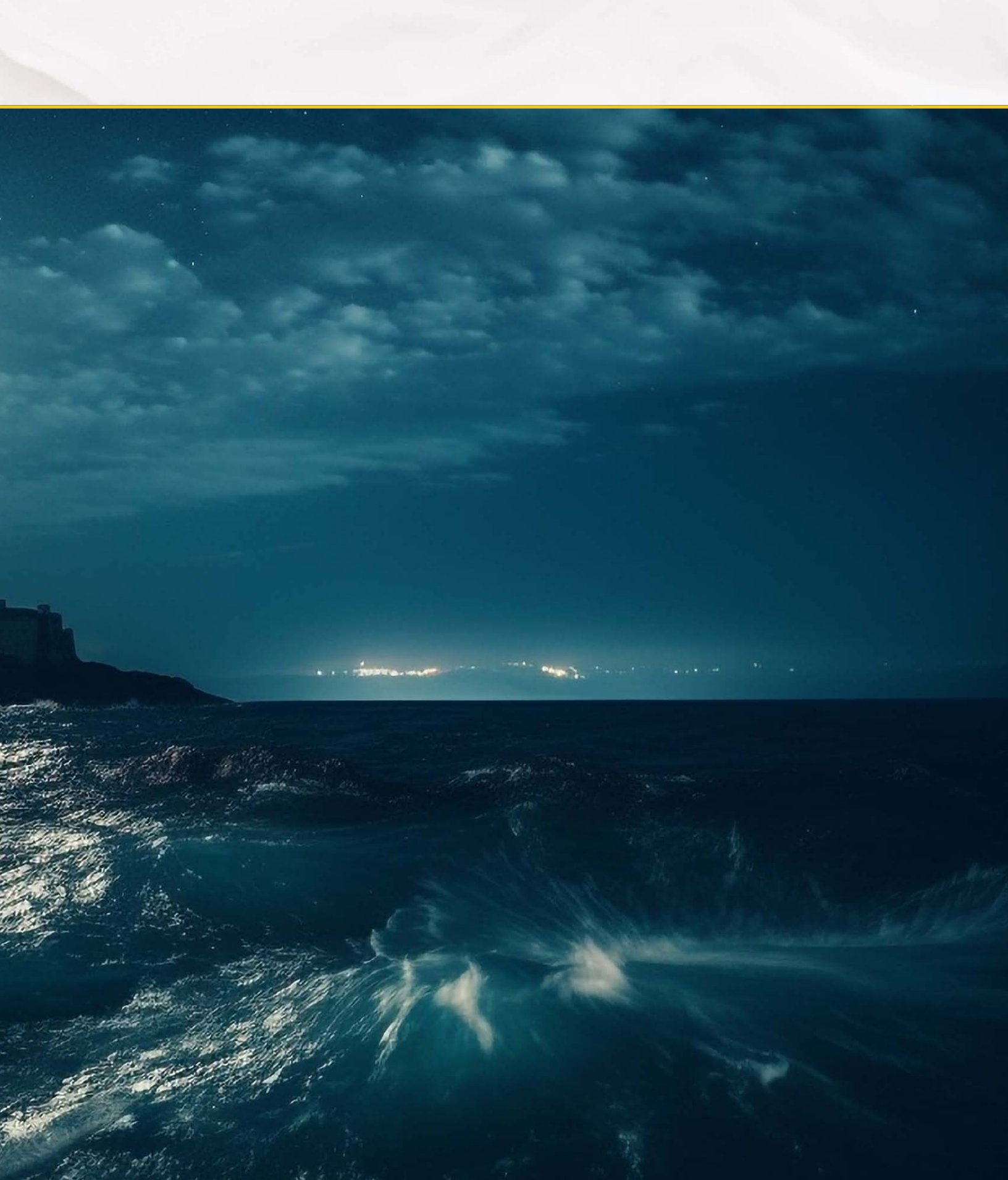
challenges and solutions to combat corruption, money laundering and cyber-crime, particularly cyber-fraud, in the Caribbean. It educated Caribbean stakeholders, particularly CDB beneficiaries, on cutting edge approaches to finding solutions to the challenges of the 3Cs.

CDB’s management and staff members also contributed as speakers and moderators in their respective areas of expertise. Notably, one CDB Director presented a video on the need to protect climate finance from corruption and maladaptation and how to balance the risks and mitigate the delivery of much needed climate finance to the Caribbean.

The 3Cs conference is intentionally conducted free-of-cost each year to ensure that its content is broadly accessible to everyone, from policymakers to students. 3Cs 2022 advanced CDB’s efforts to equip its BMCs and other stakeholders with practical insights, cutting edge strategies, best practices, and knowledge of emerging methodologies necessary to identify and mitigate the relevant risks. The significant record of attendance, quality of audience engagement and feedback, are proof of the fact that all the 3Cs conferences to date have helped CDB to meet its fiduciary duty to its BMCs and also beyond the Caribbean, through internal training, external capacity building and thought leadership. A copy of the Summary Report Agenda for 3Cs 2022 can be found in Appendix 2.

APPENDIX





No.	Sessions and topics covered during general training, targeted training and conferences	YEAR						
		2016	2017	2018	2019	2020	2021	2022
1	Strategic Framework	•	•	•	•	•	•	•
2	Combatting Corruption	•	•	•	•	•	•	•
3	Fraud Prevention			•	•	•	•	•
4	Integrity Due Diligence		•	•	•	•	•	•
5	ICA Investigative Process	•	•	•	•	•	•	•
6	AML/CFT and Sanctions Compliance	•	•	•	•	•	•	•
7	Accountability	•	•	•	•	•	•	•
8	Special Session: Cybercrime in Collaboration with the Federal Bureau of Investigations		•					
9	Special Session in Collaboration with the World Bank's Inspection Panel: Gender-Based Violence, Sexual Exploitation and Abuse in IFIs			•			•	•
10	Harassment, Sexual Harassment and Intimidation			•	•	•	•	•
11	Whistleblower System	•	•	•	•	•	•	•
12	Induction Training for New Staff	•	•	•	•	•	•	•
13	Learning Outcomes for Management			•	•	•	•	•
14	Promoting Good Governance by Curbing Corruption, Money Laundering and Cybercrime						•	•

No.	Sessions and topics covered during general, targeted training and conferences	YEAR						
		2016	2017	2018	2019	2020	2021	2022
15	Role of Good Governance in the Drive to End/Reduce Poverty and Drive Growth in the Caribbean						•	•
16	Role and Work of Integrity Offices in MDBs					•	•	
17	Drivers of Corruption in the Caribbean: Perception, Drivers and Trends					•	•	
18	Corruption Prevention: New Tools and Techniques					•	•	•
19	Corruption: Investigations, Sanctions and Sanctions Compliance					•		
20	Re-Thinking Caribbean AML/CFT Compliance						•	
21	Investigation of Corruption and Money Laundering: Lessons for the Caribbean						•	•
22	New Insights on Cybercrime: Lessons for the Caribbean						•	•

No.	Sessions and topics covered during general, targeted training and conferences	YEAR						
		2016	2017	2018	2019	2020	2021	2022
23	Role and Experience of the Private Sector in Curbing Corruption, Money Laundering and Cybercrime						•	
24	Corruption and Covidv-19 Financing						•	
25	Corruption and Climate Finance						•	•
26	Corruption and Women					•	•	•
27	Corruption and Youth					•	•	•
28	Role of the Media in Combatting Corruption, Money Laundering and Cybercrime in the Caribbean					•	•	
29	Role of Civil Society in Combatting Corruption						•	•
30	Money Laundering in the Caribbean: Current Landscape, Risks and Trends					•	•	•
36	Cyber-Fraud—Insights for the Caribbean and CDB		•	•	•	•	•	•
37	Role of Good Governance in Sustainable Development of the Caribbean					•	•	•
38	Corruption and Its Impact on the Development of the Caribbean					•	•	•
39	Role of Financial Intelligence Units in the Caribbean							•
40	Strategic Solutions to De-Risking of Correspondent Banking Relationships for the Caribbean							•
41	Managing Financial Sanctions and Implications for the Caribbean							•
42	Use of Technology to Curb Corruption in the Caribbean							•
43	Role of FBI in Countering Cybercrime: Lessons for the Caribbean							•
44	Cybercrime and Its Impact on Caribbean Development					•	•	•
45	Corruption and Mal-Adaptation of Climate Finance						•	•
46	Corruption and Its Impact on Youth, Education and Culture in the Caribbean					•	•	•
47	Corruption and Sport: Lessons and Solutions for the Caribbean							•
48	Lessons from the FBI Investigation of International Corruption							•
49	Connecting Corruption, Money Laundering and Cybercrime in the Caribbean and Emerging Trends					•	•	•
50	The FTX Scandal and Its Implications for the Caribbean							•

3CS 2022—SUMMARY REPORT AND FEEDBACK

THEME: Good Governance for the Sustainable Development of the Caribbean

DAY 1 - DECEMBER 7, 2022



**Caribbean Conference on
Corruption, Compliance
and Cybercrime
2022**

WELCOME

Dr. Boyce welcomed the attendees and introduced the sessions and speakers. He explained the history and purpose of the 3Cs Conference and its aim to deliver solutions focused on thought leadership to the Caribbean.

He outlined the theme for 2022, which is the need to link good governance to resilience and the sustainable economic development of the Caribbean. He explained the connection between corruption, money laundering and cybercrime and how they undermine the sustainable

development goals, hinder the fight against poverty and divert scarce financial resources intended for poverty reduction away from projects that deliver economic growth and into the hands of criminals.

He also announced that the Conference was dedicated to the former CDB Deputy Director Carl Howell and his recognition of the need for CDB's delivery of thought leadership as a free public good to the Caribbean.



Professor Passas provided expert insight into the governance challenges for the Caribbean and the need to place the fight against corruption in context. He identified actions that are illegal and illegitimate, lawful but awful and unlawful but useful and ethical.

He emphasised the need for a new understanding of corruption in context. He pointed out the need to understand in the context of corruption and Covid-19. He explained that Corruption and Climate Finance share common interest and ground. He used the analogy of the 'swimming pool', that "We are swimming in the same pool, and you cannot designate a corner of your swimming pool as a toilet and expect to swim cleanly in the rest of it. It is either clean or dirty."

The other issues he identified were ethical culture and freedom to raise issues, corruption risk assessments, involvement of leadership and speaking up, the Board providing assurance, corruption risk posed by third parties, training (education) of staff in exposed roles, following up on whistleblowing and transparency in dismissals.

He noted that unethical behavior was on the rise generally and in organisations, despite making significant investments in developing governance and anti-corruption. As a result, developed countries were advancing the idea that their hands were clean and that the developing countries were the only countries with problems, when in fact, this was not supported by facts. As an example, he showed the biggest banking scandal that happened in a country, which was identified by corruption perception indices as being the cleanest in the world.

He identified the need to think about governance outside of the (legal) box, to ensure that it could deliver sustainable development for the Caribbean. He encouraged regional governments and policy-makers to focus on the consequences of the problem within their control and emphasised on the fact that change can start with them if they pay attention to the ultimate purpose and negative effects of decisions, laws, measures and programmes.

ROUNDTABLE: Corruption and Its Impact on the Development of the Caribbean



L-R: Josh Drayton, Jeanette Calder, Canon Mark Kendall, Prof. Trevor Munroe and Dr. Roger Koranteng

This roundtable of experts discussed how corruption can harm the sustainable economic development of the Caribbean. It discussed the current state of corruption in the Caribbean and solutions to curb corruption, including new cutting-edge methods for prevention, detection, investigation and sanction of corruption.

ROUNDTABLE: AML/CFT in the Caribbean by Directors of Financial Intelligence Units

This roundtable covered the critical work and role of Financial Intelligence Units (FIUs) in the evolution of AML/CFT compliance in the Caribbean. Directors of FIUs shared how their offices work in various countries to identify and manage risks and overcome compliance challenges at the national and regional levels.

They shared current trends and discussed how the future of compliance in the Caribbean can be shaped by the leadership and work of FIUs.



L-R: Calvin Wilson, Berdie Dixon-Daley, RJ Berry (Cayman), Kirk Taitt, Nigel Stoddard (Financial Intelligence Unit of Trinidad and Tobago (FIUTT)) and Matthew Langevine - Director, FIU Guyana

ROUNDTABLE: Strategic Solutions to De-Risking of Correspondent Banking Relationships for the Caribbean: Pros, Cons and the New Normal

This solutions-focused roundtable provided a discussion and critical review of more than 20 practical and workable solutions for de-risking correspondent banking relationships in the Caribbean.

It discussed how far the Regional has come in resolving de-risking in the Caribbean and whether a new normal exists. It provided insights on new solutions with updates, including new measures taken by the government of the United States of America to promote financial inclusion and counter de-risking, and its benefits for the Caribbean.



L-R: Dr. Toussant Boyce, Wendy Delmar (CAB), Sarah Beth Felix and Theresa Ridder, US Treasury Dept.

PRESENTATION: Managing Financial Sanctions and Their Implications for the Economic Development of the Caribbean

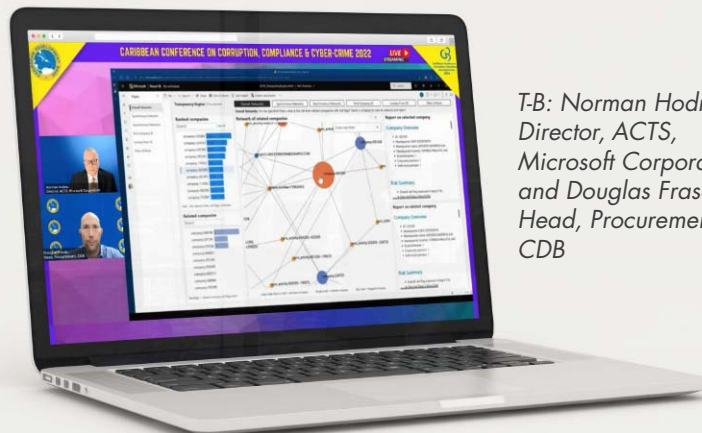


Glen Kelley, Partner, Jacobson Burton Kelley

This presentation provided a deeply relevant and insightful expert examination of the nature and impact of financial and economic sanctions on the Caribbean, including Russian and Venezuelan sanctions.

MICROSOFT PRESENTATION: The Use of Technology to Help Caribbean Governments and Private Sector Curb Corruption

Microsoft delivered this highly informative and practical presentation on leveraging technology including artificial intelligence, proactive risk engagement and predictive modelling to help Caribbean governments curb corruption.



T-B: Norman Hodne, Director, ACTS, Microsoft Corporation and Douglas Fraser, Head, Procurement, CDB

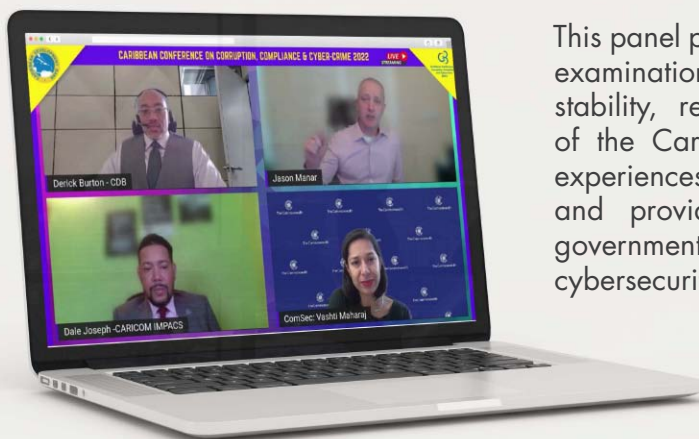
KEYNOTE (FIRESIDE CHAT): The Role of the FBI in Countering Cybercrime- Lessons for the Caribbean

The Chief of the Federal Bureau of Investigation's (FBI) Cybercrime Unit delivered this keynote fireside chat about how the FBI works to identify and mitigate cybercrime risks, conduct investigations and counter increasingly sophisticated cybercrime methods. He explained how individuals, small businesses, large businesses, organisations, and governments in the Caribbean can learn from the FBI's work to help ensure their stability and security, and build their own resilience and thereby regional resilience to cybercrime.



L-R: Bryan P. Smith, Chief, Cybercrime Unit, Federal Bureau of Investigation (USA), Toussant Boyce, Head, ICA, CDB

PANEL DISCUSSION: Cybercrime, Its Impact on the Development of the Caribbean, and Solutions



L-R: Derick Burton (CDB), Jason Manar, Dale Joseph (CARICOM IMPACS) and Vashii Maharaj (ComSec)

This panel provided cutting edge information and an examination of how cybercrime harms the security, stability, resilience and sustainable development of the Caribbean. It also looked at recent case experiences from major national cyber-attacks and provided important guidance to regional governments and policy-makers on cybercrime and cybersecurity for building resilience.

VIDEO PRESENTATIONS: Corruption and Maladaptation of Climate Financing: Lessons for the Caribbean

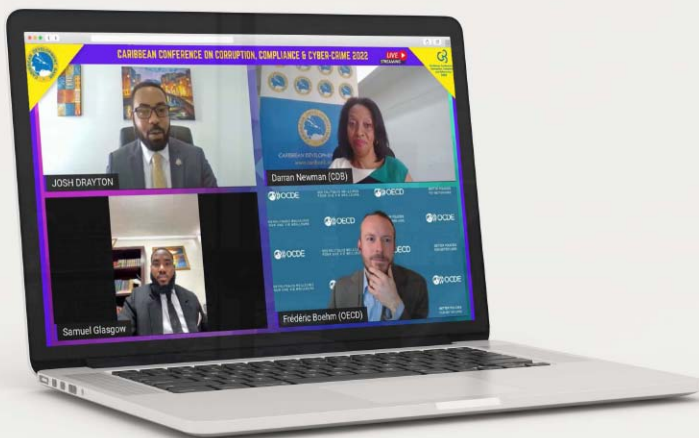
This series of videos from UK Aid, CDB and the Green Climate Fund provided high-level viewpoints on how scarce funds made available for climate financing can be disrupted by corruption and weak governance. Presenters explained how climate financing helps the countries in the Caribbean, which are also the most vulnerable to corruption, fraud, and other effects of weak governance.

They shared their views on integrity risks in the delivery of climate financing and how new solutions and approaches must be identified and utilised. They also spoke about the need to 'balance the risks', in order to provide critical climate financing to Caribbean countries that need it.



L-R: Malcom Geere, Development Director (UK), Caribbean Foreign, Commonwealth and Development Office, Valerie Issac, Coordinator, Environmental Sustainability, CDB, and Mr. Albert Lihlalakha, Head ad interim Independent Integrity Unit GCF.

PANEL: Corruption and Its impact on Youth, Education and Culture: Lessons for the Caribbean



L-R: Josh Drayton, Dr. Darran Newman (CDB), Samuel Glasgow and Frédéric Boehm (OECD)

This panel discussed a wide range of relevant issues including how: youth are driving and influencing public accountability through social and other media; corrupt leaders influence young people into or away from corruption and other corrosive behaviors; to harness the intelligence, power and responsibilities of youth to combat corruption and effect change; to increase awareness among youth about the perils of corruption and equip them to recognise and prevent corruption.

It also discussed how young people can help shape the current and future fight against corruption and leverage their energy to effect change and promote transparency, accountability and good governance in the Caribbean

Corruption and Sport: Lessons and Solutions for the Caribbean

This highly thought-provoking, insightful and timely roundtable was scheduled to coincide with the FIFA World Cup. Experts and a former international football player discussed how corruption can erode civic values, foster dishonest behaviour in sports, particularly among young people, and undermine the development of athletic potential and sporting opportunities.

It also provided key solutions for Caribbean governments, policy makers, sports administrators and athletes to consider, as they confront sport integrity challenges in their region.



L-R: Andre Errol Baptiste, Carole Beckford, Professor Declan Hill and Shaka Hislop

PRESENTATION: Lessons for the Caribbean from the FBI's Investigation of International Corruption



Patrick Killeen, Unit Chief, International Anti-Corruption Unit, (FBI)

The FBI's Unit Chief for its International Anti-Corruption Unit provided detailed insights into how the FBI works to detect, prevent and counter international corruption.

His presentation included insights relevant to the Caribbean and on how regional governments, policymakers and other stakeholders can partner with the FBI to counter corruption.

Connecting Corruption, Money Laundering and Cybercrime in the Caribbean, and Emerging Trends

This solutions-focused panel discussed a wide range of issues including what lessons were learned from each session during 3Cs 2022. The panel provided a summary of key insights that covered major issues and discussed emerging trends, next steps and policy recommendations. The panel also examined opportunities for development banks and other international financial institutions to fund initiatives to counter corruption, compliance and cybercrime.



L-R: Dr. Toussant Boyce, Jason Manar, Shelley Nicholls-Hunte and Josh Drayton

The FTX Scandal and Its Implications for the Caribbean



L-R: Dr. Toussant Boyce, Ambassador Gabriel Abed, Dr. Chris Malcolm and Oliver Gale

This panel provided a highly engaging and interactive expert exploration of the FTX scandal. The panelists discussed what was known at that time about the collapse of FTX and its likely short-, medium- and long-term implications for the

economic development of the Caribbean. They also examined the scale, scope and speed of the collapse, law and regulation, crypto impacts, conflicts of interest, due diligence, commingling, corruption, money laundering, cybercrime, contagion risks and other FTX-related issues that would be of interest to Caribbean stakeholders.

The panelists provided solutions to these challenges and advocated for caution. They urged regional experts to play a greater role in helping to chart the regional and national approaches to designing and implementing the right financial architecture to avoid similar scandals going forward, and to build the Caribbean's financial ecosystem to include and manage risks such as cryptocurrencies and other novel forms of financing.

SAMPLE OF POSITIVE AUDIENCE FEEDBACK FROM 3CS 2022

“Congratulations to all, the conference is off to an excellent start!”

“Quality of contributions was world class”

“Excellent job!”

“Very informative”

“The region needs more of this”

“Including sports was not only timely but relevant”

“Facilitators were informative and presented differing yet related views on the subject matter.”

“Great conversations happening on 3Cs in the Caribbean. Kudos to the moderator and speakers. Observing from Geneva!”

“Thought-provoking and important takeaways!”

“Excellent conference. Thank you!”

“Thank you, Dr. Boyce, and your team, as well as all presenters, for always imparting and sharing your expert knowledge.”

“Exceptional execution!! Thank you all!”

This was an excellent Conference indeed. The presentations were insightful and thought-provoking. Excellent work.

Sessions were informative and about the right length

"The high level of coordination, selected topics, the interactive discussion; information received and emphasis on time management.

Ease of registration. Quality of presenters. Wealth of information shared.

All things being equal, it is suggested that the Conference be an annual face to face event; over a four-day period, which would allow adequate time to properly ventilate and discuss each topic.

So many skilled speakers and relevant topics

Excellent work presenters and moderators

Great discussions

A wildly successful first day!

Thoroughly enjoyed it

The different topics and interaction between panel members integrated into the Caribbean situation.

Thank you for this event! Great work!

Fantastic!







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2022 ANNUAL REPORT