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Report of the Chairperson on the 112th meeting of the Audit Committee

Executive Board — Ninety-ninth Session
Rome, 21-22 April 2010

For: **Review**

Note to Executive Board members

This document is submitted for review by the Executive Board.

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Report of the Chairperson of the 112th meeting of the Audit Committee

1. The Audit Committee wishes to bring to the attention of the Executive Board the matters examined at the 112th meeting of the Committee held on 9 March 2010.

Revision to the Charter of the Office of Audit and Oversight

2. The Director, Office of Audit and Oversight (OA) informed the Committee that the revision of the charter had been undertaken to: (a) bring the charter in line with the terms of reference of the Audit Committee; and (b) reflect changes in international standards for internal auditing since the quality assurance review was conducted of OA's performance. The charter may require further review as new international auditing standards (which are currently in exposure draft) come into effect.
3. The Committee Chair requested clarification of the role of the Executive Board in the process of adopting the revised charter, the scope of work of the investigative function, OA's objectivity and independence with particular reference to the Director's reporting line and accountability to the President, the role of the Audit Committee in the charter, the role of the President, and whether the charter is aligned with the charters of other international financial institutions (IFIs) and reflects best practice.
4. The Director of OA and the General Counsel clarified that:
 - The Governing Council has directed the President to set up internal control and audit systems and to ensure that such systems are adequate. The Governing Council has given the Board the responsibility to assure itself of the adequacy of the internal control and audit systems established by the President. One of the functions of the Audit Committee is to review the charter as amended and make recommendations to the President if need be.
 - The scope of investigation activities includes all matters related to irregular practices in IFAD activities and operations, including irregular practices by IFAD staff and consultants as well as by entities, contractors and individuals involved in activities financed and/or managed by IFAD directly or through its loans and grants. Misconduct does not include mismanagement.
 - The Director of OA reports directly to and is accountable to the President. The OA workplan and charter are approved by the President and transmitted to the Audit Committee of the Executive Board annually for review and proposals thereon for consideration by the President. It is the Director of OA that determines the subjects to be audited, their scope and the techniques to be applied in the conduct of their work. Any inappropriate limitation by the President or anyone else in the organization with respect to an audit must be reported by the Director of OA to the Audit Committee.
 - The Director of OA may attend all meetings of and communicate directly with the Audit Committee, except meetings designated as closed sessions or meetings restricted to the external auditor.
 - OA is required to report annually to the President and Audit Committee on the adequacy of IFAD's resources and organizational independence.
 - Approval by the Board for the appointment and removal of the chief audit executive is not currently required by professional standards. The practice outlined in the revised charter is in line with the practice of some IFIs, while the Organisation of Economic Co-operation and Development (OECD) and some other international organizations require board approval in this regard.
 - OA staff may obtain all assistance, cooperation and explanations deemed necessary for the discharge of audit or investigation responsibilities, including

unrestricted access to staff, records, documents, property, registers, systems and assets in the custody or under the control of IFAD or any authority, institution, undertaking or person who is a beneficiary of IFAD operations. Medical records are not accessible to OA.

- OA benchmarks its practices against those of other IFIs on issues of independence and objectivity. This is mirrored in the charter in such areas as consultation with the Audit Committee on the removal of the Director, OA.
 - The international standards' requirements for Board approval of the Internal Audit Charter and workplan are not reflected in the revised terms of reference of the Audit Committee; however the Director, OA later stated that the President had indicated that he would have no problem agreeing to these arrangements.
5. It was decided that a revised Charter should again be presented, to the Audit Committee meeting scheduled in April 2010, reflecting a dual reporting relationship for the Director, OA with the President and the Board through the Audit Committee; Board endorsement or approval of the OA workplan and Charter and any amendments thereto; capacity development as an allowable operational activity for OA; exclusion of access to medical records; and clarification of the nature of staff misconduct with respect to the investigation mandate.

Workplan for IFAD's Office of Audit and Oversight for 2010

6. The Director outlined that OA basically provides three types of services: (i) assurance services; (ii) advisory services; and (iii) investigation services. Assurance services deal with the compliance and reliability of financial information; whether assets are acquired, utilized and protected appropriately; and whether objectives are being achieved. Assurance reports include an overall audit opinion communicating the significance of the audit results as satisfactory, in need of improvement or unsatisfactory. Advisory services provide recommendations for improvement of controls, risk management and governance processes. Finally, investigation services include pursuing misconduct and irregular practices that come to OA's attention, and conducting awareness-raising activities related to such practices.
7. The main activities of the Investigations Section (IS) for 2010 will include promoting and advocating for IFAD's anticorruption policy, conducting and administering investigations, and serving as secretariat to the Sanctions Committee.
8. The OA workplan for 2010 is rather ambitious given its staffing context. The modest size of OA limits its ability to maintain sufficient in-house capacity to conduct specialized work and therefore consulting and short-term expertise is used to supplement resources. In addition, an allocation of additional funding of some US\$100,000 approved for internal audit capacity-building in client countries may be available for the secondment of staff from client government agricultural ministries.
9. Committee members raised queries about the prioritization of audits carried out, the practice of OA participating as observer in management committees, internal audit activities in country programmes, inclusion of housing expenditures in the scope of the yearly audit of expenses of the Office of President, and the role of OA vis-à-vis the human resource reform.
10. The Director, OA informed the Committee that there is no prioritization of audits as all planned projects are high priority. Due to staff shortage, OA adopts a system where auditors may work on two projects simultaneously. The President has the power to authorize extra resources if there is additional risk to be covered. OA has pulled out of certain committees – such as the Contracts Review

Committee – to avoid conflicts of interest and may only attend if there is a specific need or request. Consideration is being given to developing standard methodology to audit country programmes jointly with the other Rome-based agencies. Multilateral development banks and other IFIs may also be involved in this initiative. OA will be part of a workforce planning exercise on HR reform and is planning to have its risk assessment and workplan ready for submission to the Audit Committee prior to the development of IFAD's 2011 administrative budget.

11. In concluding, the Chair recognized that it may need to consider involving the Board in the endorsement or approval of the plan, as per the conclusions of agenda item 3. However, in the meantime, the Committee indicated that it had no objection to the workplan and the amendments and the suggestions made.

Annual reports of the Office of Audit and Oversight during 2009

(a) Annual report on the activities of the Office of Audit and Oversight during 2009

12. The Director of OA summarized the activities carried out by OA during 2009, the results of those activities and the extent to which OA achieved the workplan submitted to the Audit Committee and approved for the year. In summary, she stated that OA had completed 10 audit projects and that five additional projects were near completion at the end of the year.
13. The number of outstanding high priority recommendations has fallen (by more than 40 per cent) as a result of concerted efforts by Management and regular follow-up mechanisms. The average length of time overdue for addressing these recommendations had, however, increased to 27 months from 20 months a year ago.
14. The Chief Finance and Administration Officer [CFAO], as Management representative, expressed Management's appreciation of the new risk-based prioritization of audit recommendations which has been assisting with the implementation of recommendations.
15. In response to queries raised by the Committee, Management provided the following additional information with respect to:
- Increased length of time for overdue recommendations. Some of the outstanding or long-outstanding audit recommendations required systems that are currently under development, for example, the loans and grants system funded from the capital budget. Several recommendations relating to the HR reform were also outstanding but the Committee was assured that efforts would be intensified to address these as soon as possible.
 - Recurring audit of the expenditures of the Office of the President. The main finding was that the provision relating to the housing allowance had not been applied in the manner spelled out by the Governing Council. Thus, where the former President should have received an allowance, the organization actually provided the residence and paid the relevant costs. The current methodology being applied for the new President has effectively formalized this housing arrangement.
 - Audit of procurement and disbursement aspects. The audit examined procurement and disbursement processes pursuant to the major change in IFAD as a result of the move to direct supervision. OA advocates that the Programme Management Department (PMD) be responsible for the operational aspects of procurement, that policy setting and monitoring be dealt with outside PMD and that the Financial Services Division have full responsibility for disbursements. This recommendation is being considered by Management.

- Recruitment and appointment of OE staff. The main result was a conflict of interest on the part of the Director, Office of Evaluation in relation to a dual role as both recruiting and appointing officer.

16. The Committee expressed its appreciation for the work done in 2009 by OA despite staffing constraints.

(b) 2009 Annual Report on Investigation and Anticorruption Activities (for public release)

17. In response to queries raised by the Committee, Management provided the following additional information:

18. All cases involving internal staff are categorized as misconduct. With regard to cross-debarment, IFAD has been participating in a working group established by the United Nations and including the IFIs. The issue of legal risks incurred by organizations when taking over sanctions imposed by other organizations is presently being discussed. The High-Level Committee on Management (HLCM) has commissioned a study on this issue. The findings are expected in May 2010, which will provide a specific framework for cross-debarment.

Annual Report on Enterprise Risk Management Activities in IFAD

19. The CFAO, as the alternate chair of the Enterprise Risk Management Committee (ERMC), stated that this was the second annual report on ERM activities. She stated that Senior Management used ERM as a tool for risk management and attainment of objectives. The role of the ERMC was to guide the development and implementation of ERM in IFAD and to review and monitor ERM processes and outputs on a regular basis. The new Vice-President is now the risk champion and will spearhead ERM initiatives.

20. Various ERM initiatives were completed in 2009 and some are currently in progress, for example the issuance of the IFAD Policy on Enterprise Risk Management and an ERM framework, including internal control measures, biannual review of the corporate and departmental risk registers, and the establishment of IFAD's corporate risk profile. In November 2009, IFAD identified, through a series of workshops and a Management meeting, the top five "risk owners" and set out mitigating strategies.

21. In response to questions by the members, Management confirmed that the policy for financial disclosure is being developed. This will include not only Senior Management but also other staff members with key responsibilities in finance and procurement. The first formal Management assertion on the internal control framework for financial reporting is planned to be made on the 2011 financial statements. The existing Human Resource Procedures Manual (HRPM) will be split into two parts: (i) staff rules, which are the high-level provisions or guidance on human resource management; and (ii) a relevant handbook containing staff directives and staff instructions. Both will be part of a package on change and reform that Management will present to an informal Board seminar or to the Executive Board itself during 2010.

22. The Committee took due note of the content of the report and expressed appreciation for how the Fund had successfully implemented risk management.

Audit Committee work programme

23. The Committee had considered a tentative programme of work for 2010 at its 109th meeting. At that time, it had requested clarification of the scope of the Committee's mandate and had expressed some concern as to the potential workload and sequencing of the assignments listed. The tentative programme of work for 2010 was revised by the secretariat to address these issues and to reflect the opinion of the General Counsel that the draft work programme for 2010 should include the items that fall within the permanent responsibilities of the Audit Committee as set out in its terms of reference and rules of procedure,

whereas other financial documents not included within said responsibilities need to be assigned to the Committee specifically by the Board for review. The Committee's attention was called to section 4 of the document, which included items of a financial nature hitherto presented to the Executive Board without prior review by the Audit Committee.

24. In the discussion that followed, the General Counsel clarified that according to the Terms of Reference and Rules of Procedure of the Audit Committee (paragraph 3.1), the Executive Board may refer to the Committee any question related to financial administration and internal oversight of the Fund for which the Executive Board is responsible.
25. It was decided that the Audit Committee work programme for 2010 would be revised to include the review of all financial documents going to the Board and that this review would start for documents being presented to the September session of the Executive Board; it was too late to apply this practice for the April session. It was further decided that an updated version of the work programme would be presented to the Committee's 113th meeting for approval.

Legal issues to be considered when developing a code of conduct for Executive Board members

26. The Committee was requested by the Board to look into the legal issues involved in developing a code of conduct for Executive Board members. At the 109th meeting, the Committee requested Management to examine this matter. The General Counsel introduced the document that has been prepared to assist the Committee in this task. The analysis involved comparisons with other IFIs. However, it was pointed out that IFAD differs from other multilateral organizations in that IFAD's Executive Board members are Member States and not individuals. IFAD lacks the power to regulate Member States; however, its by-laws can be used to establish conduct for Member States. The relevant clause allows the Governing Council to require Member States to appoint members with necessary competence in IFAD's areas of activity. He went on to emphasize the importance of having technically competent and ethical members – as per the Governing Council's guidance – to benefit from the guidance of the Executive Board.
27. In response to a question as to whether United Nations agencies have been considered in addition to the IFIs mentioned, the General Counsel replied that the Food and Agriculture Organization of the United Nations and the World Food Programme were not taken into account as they are not financial institutions, but they will be included for completeness. It was further explained that the Board was authorized to create an ethics committee, which will serve as the body that oversees the code of conduct, should the latter be adopted by the Governing Council.
28. The General Counsel also indicated to the Committee that notwithstanding the need to obtain Governing Council approval of a code of conduct and to amend the Agreement Establishing IFAD, the Executive Board may proceed with the amendment of the Human Resource Policy if it wishes to immediately require a "cooling-off period" for Board members before they can be considered for a position in IFAD.
29. The Committee commended Management on the document and decided that it would report to the Executive Board for guidance.

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Legal issues to be considered when developing a code of conduct for Executive Board members

Audit Committee — 112th Meeting
Rome, 9 March 2010

For: **Review**

Note to Audit Committee members

This document is submitted for review by the Audit Committee.

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Legal issues to be considered when developing a code of conduct for Executive Board members

I. Executive summary

1. This document reviews the legal issues that need to be considered when developing a code of conduct for members of the IFAD Executive Board. Codes regulating the conduct of executive board members have commonly been adopted by other multilateral financial institutions (MFIs). Such codes provide guidance on the standards of ethical conduct expected of board members, including requirements that they comply with the highest standards of integrity, avoid situations where their personal interests conflict with those of the MFI, and disclose their personal holdings. The codes also provide for an ethics committee, which is authorized to make recommendations regarding the conduct of board members, including possible sanctions.
2. It must be recognized when developing a code of conduct for IFAD Board members that their status differs significantly from that of board members within other MFIs. First, members of the IFAD Board consist of Member States, which, in accordance with the Fund's rules and regulations, have discretion to choose their representatives for each Executive Board session. MFI board members, in contrast, are employed full time, generally for a period of several years, and are required to devote all of their working time to the activities of the MFI. Second, the Fund does not remunerate the Member States' representatives and lacks power to regulate their behaviour, whereas MFI board members receive remuneration from the MFI and are subject to its internal rules and regulations.

II. Introduction

3. For the purpose of the deliberations of the Audit Committee, this document reviews the legal issues, derived from the basic texts of the Fund as well as from the relevant rules of international law, to be considered when developing a code of conduct for members of the IFAD Executive Board. It analyses these issues and makes some suggestions on how they could be handled.
4. It has now become common for multilateral financial institutions (MFIs) to adopt codes of conduct for their executive board members. Such codes invariably provide executive directors with guidance on ethical standards in connection with their roles and responsibilities within the MFI. The codes – which apply to executive board members, their alternates and advisors to the executive directors – typically mandate regular financial disclosure reports and underline the importance of the observance of the highest standards of ethical conduct.
5. At its ninety-seventh session (14-15 September 2009), the Executive Board, while noting Cameroon's opposition to this idea,¹ agreed that the Audit Committee should proceed with the development of a code of conduct for IFAD's Executive Board members.
6. A fact that will impact significantly on the development of a code of conduct for IFAD Executive Board members is that their status differs significantly from that of board members within other MFIs. For the present purposes, it suffices to refer to MFIs that, like IFAD, are also specialized agencies of the United Nations,² i.e. the International Monetary Fund (IMF),³ the International Bank for Reconstruction and

¹ Minutes of the ninety-seventh session of the Executive Board, document EB/97 minutes, paragraph 69.

² Specialized agencies may or may not have been originally created by the United Nations, but they are incorporated into the United Nations system by the United Nations Economic and Social Council acting under articles 57 and 63 of the Charter of the United Nations.

³ IMF became a specialized agency of the United Nations on 15 November 1947, Agreement between the United Nations and the International Monetary Fund, 16 United Nations Treaty Series (UNTS) II 108.

Development (IBRD) (World Bank),⁴ the International Development Association (IDA),⁵ and the International Finance Corporation (IFC).⁶ These specialized agencies are useful comparators in the present exercise because in their case, unlike that of regional international financial institutions, the rules and principles set out in the 1975 Vienna Convention on the Representation of States in Their Relations with International Organizations of a Universal Character (hereafter: the Vienna Convention) are relevant as are those set out in the Convention on the Privileges and Immunities of the Specialized Agencies.

III. The legal situation in the other multilateral financial institutions

A. The board members are individuals, not States

7. In three of these organizations, the individual composition of their executive organs is first expressed in their denomination, which is referred to simply as "executive directors" in the case of IBRD (World Bank) and "board of directors" in that of IFC. Only in the case of IMF is the term "executive board" used to refer to the executive organ. Still, article XII, section 3(b) of the IMF Articles of Agreement introduces the office of executive directors by stipulating that the executive board will consist of five executive directors appointed by the five members having the largest quotas and that 15 will be elected by the other members, with the Managing Director as chairman.⁷ One clear indication that the term "executive directors" found in the constituent instruments of the other MFIs refers to individuals, not States, can be found in their provisions concerning succession and vacancies. The charters of those institutions provide that the executive directors will continue in office until their successors are appointed or elected. The IMF and World Bank charters specify, for instance, that, if the office of an elected executive director becomes vacant more than 90 days before the end of his term, another executive director will be elected for the remainder of the term by the members that elected the former executive director. While the office remains vacant, the alternate will exercise the powers of the former executive director, except that of appointing an alternate.⁸ Obviously, there would be no need for any such transitional measures if board members were States rather than individuals. Another indicator can be found in the provision that specifies that executive directors and their alternates will be entitled to remuneration in the form of salary and supplemental allowances at such annual rates as will be determined from time to time by the board of governors.⁹ Moreover, there are provisions that specifically speak of "individuals" when referring to the executive directors of those institutions.¹⁰

⁴ World Bank became a specialized agency of the United Nations on 15 November 1947, 16 UNTS 341.

⁵ IDA became a United Nations specialized agency on 27 March 1961, 224 UNTS 582.

⁶ IFC became a specialized agency of the United Nations on 12 February 1957, 265 UNTS 312.

⁷ Similarly, according to section 4(b) of article V of the articles of Agreement of the World Bank, there shall be 12 executive directors of whom five shall be appointed, one by each of the five members having the largest number of shares, and seven shall be elected according to schedule B by all the Governors other than those appointed by the aforementioned members. It is stated in IDA's charter that the Board shall be composed ex officio of each executive director of the World Bank who shall have been (i) appointed by a member of the Bank that is also a member of the Association, or (ii) elected in an election in which the votes of at least one member of the Bank that is also a member of the Association shall have counted towards his election. The alternate to each such executive director of the World Bank shall ex officio be an Alternate Director of the Association. Finally, by virtue of article IV, section 4(b) of the IFC Articles of Agreement, the Board of Directors of the Corporation shall be composed ex officio of each executive director of the Bank who shall have been either appointed by a member of the Bank that is also a member of the Corporation, or elected in an election in which the votes of at least one member of the Bank that is also a member of the Corporation shall have counted towards his election. The Alternate to each such executive director of the Bank shall ex officio be an alternate director of the Corporation. Any Director shall cease to hold office if the member by which he was appointed, or if all the members whose votes counted towards his election, shall cease to be members of the Corporation.

⁸ IMF Articles of Agreement: article XII, section 3(f); World Bank charter: article V, section 4(d).

⁹ e.g. IMF, By-Laws of the International Monetary Fund, section 14(e)(i.).

¹⁰ e.g. IMF, By-Laws of the International Monetary Fund, section 14(h) and (i).

8. Thus, in these MFIs, the membership of the executive organ is for individuals, who are formally called "executive directors", and not for countries.¹¹

B. Executive directors are officials of the organization

9. The executive boards of the Bretton Woods institutions were designed to ensure, as far as possible, that executive directors' exclusive loyalty would be to the institution rather than to their own capitals. Some countries, however, have not consistently abided by this model. This has created some problems. Some directors, moreover, have expressed a sense of having been treated more like ambassadors sent by their capitals than representatives of their constituency members and the institution.¹² Notwithstanding this practice, the fact remains that technically the executive directors are international officials. The World Bank General Counsel has explained this situation by pointing out that the status of executive directors as officials of the institution does not mean that they are detached from their government authorities.¹³ However, the international status is underscored by the fact that all the executive directors of the comparator MFIs, whether elected or appointed, are remunerated by those institutions.¹⁴ Under the by-laws of the respective institutions, executive directors and alternates are required to devote all the time and attention to the business of the institution that its interests require, and between them to be continuously available at the principal office of the concerned institutions. In 1987, the General Counsel succinctly stated the status of the World Bank executive directors:

"An Executive Director, as an official of the Bank who is appointed or elected by a member or members of the Bank, and whose votes depends on voting strength of the member or members who appointed or elected him, owes his duty both to the bank and his 'constituency' and votes on its instructions, but he may not split the votes. However, he is not to act simply as an ambassador of the government or governments which appointed or elected him, and is expected to exercise individual judgment in the interest of the Bank and its members as a whole."¹⁵

10. The conclusion that these executive directors are international officials has far-reaching legal consequences, the most important being that they are fully subject to the organic jurisdiction of the organization concerned. In other words, their legal status is not regulated by the rules and principles reflected in the Vienna Convention, nor is it regulated by article V, sections 13-17 (Representatives of Members) of the Convention on the Privileges and Immunities of the Specialized Agencies. Executive directors are instead subject to the rules of the organizations and those set out in article VI, sections 18-23 (Officials) of the Convention on the Privileges and Immunities.

C. The power to regulate the conduct of executive directors

11. As executive directors are officials of these organizations, their conduct may be regulated by the organization, and sanctions administered by the organization in case of non-compliance. It is by virtue of this organic jurisdiction over the executive

¹¹ Compare: World Bank, Status of the Bank Directors – Memorandum by the General Counsel dated 27 May 1994, reproduced in Shihata, Ibrahim F.I., *The World Bank Legal Papers* (Martinus Nijhoff Publishers, the Hague/Boston/London, 2000), p. 653.

¹² See e.g. Eric Santor, Banque du Canada Working Paper 2006-32, *Governance and the IMF: Does the Fund Follow Corporate Best Practice?* pp. 8-9. www.bankofcanada.ca/en/res/wp/2006/wp06-32.pdf

¹³ World Bank, Status of the Bank Directors, pp. 655-656.

¹⁴ Compare: Gianviti, F, "Decision Making in the International Monetary Fund", in *Current Developments in Monetary and Financial Law*, vol. 1 (International Monetary Fund, Washington, D.C., 1999), p. 46. See also World Bank, Status of the Bank Directors, pp. 653-655.

¹⁵ Prohibition of political activities in the Bank's work, Legal opinion of the General Counsel, dated 21 December 1987, reproduced in Shihata, op.cit., p. 244.

directors that IMF, IFC and the World Bank had the power to promulgate the codes of conduct for the members of their executive organs.

IV. The legal situation in IFAD

A. Members of the Executive Board are States, not individuals

12. Contrary to the situation in IMF, IDA and IFC, in IFAD the Executive Board is composed of members "elected from the Members of the Fund".¹⁶ Accordingly, when the Governing Council elects members of the Executive Board through the process set forth in schedule II of the Agreement Establishing IFAD, it does not elect particular individuals, but States.¹⁷ The Executive Board acknowledged this particularity at its first session on 14 December 1977, noting that membership in the Executive Board consisted of the Member States of IFAD.¹⁸ It is to be noted that, unlike the case of the aforementioned organizations, none of IFAD's basic documents employs the term "executive director" to refer to Executive Board members, although that term is sometimes used colloquially at IFAD. The official denomination used by the Agreement Establishing IFAD, the By-laws for the Conduct of the Business of IFAD and, most notably, rule 7 of the Rules of Procedures of the Executive Board is "representatives of Members and alternates."¹⁹

a. Representatives of Members and their alternates are not officials of IFAD

13. The foregoing implies that the representatives of Members and their alternates are not officials of IFAD. This is underscored in section 5(e) of article 6 of the Agreement Establishing IFAD and in section 5 of the IFAD By-laws, which state that – unlike the case in the other MFIs – the representative of a Member or of an alternate Member of the Executive Board will serve without remuneration from the Fund. The Governing Council subsequently decided that they would be entitled to receive actual expenses incurred for travel by the most direct route to and from the place of the meeting, unless such right is waived by the Member or alternate Member concerned.

b. Lack of power to regulate the conduct of representatives of Member States

14. Since the members of the Executive Board are representatives of Member States and their alternates, rather than officials of IFAD, they are subject to the rules and principles set out in the Vienna Convention and in article V, sections 13-17 (Representatives of Members) of the Convention on the Privileges and Immunities of the Specialized Agencies. This means that the conduct of those representatives is not within the organic jurisdiction of any of IFAD's bodies, be it the Governing Council, the Executive Board or the President. This lack of organic jurisdiction also means a lack of enforcement power.

V. A possible approach within IFAD's legal framework

15. The fact that members of the Executive Board are Member States, not individuals, and that representatives of Members and their alternates are not officials of IFAD, does not mean that the objectives pursued by the codes of conduct in other MFIs cannot be achieved within IFAD's legal framework. In the following paragraphs, an approach that is compatible with that framework will be developed for consideration by the Audit Committee.

¹⁶ Section 5(a) of article 6, Agreement Establishing IFAD.

¹⁷ See schedule II 3(a)-(b), Agreement Establishing IFAD.

¹⁸ Minutes of the First Session of the Executive Board of IFAD, EB/1, 6 February 1978, paragraph 9, <http://intradev.ifad.org/ifbib/>

¹⁹ See article 6, section 5(e), Agreement Establishing IFAD; section 4, By-laws for the Conduct of the Business of IFAD.

A. Legal basis and competent authority

16. The representatives of Members in the IFAD Executive Board are entrusted by the Member States that have selected them with responsibilities for ensuring that the Fund carries out the mandate prescribed in the Agreement Establishing IFAD. Therefore, Member States bear responsibility for ensuring that their representatives satisfy personal and professional conduct that meets the highest standards. Thus, although IFAD's organic jurisdiction does not extend over the Member States' representatives, the Governing Council has assumed the power to prescribe, in section 4 of IFAD's By-laws, that each Member and alternate Member of the Executive Board shall appoint "a person competent in the fields of the Fund's activities" to represent it on the Board.²⁰ This decision expresses the Governing Council's understanding that, notwithstanding the principle of Member States' freedom of appointment, the organization has an interest in requiring Member States to designate representatives who have the necessary technical and personal competencies to serve in the Executive Board. The phrase "a person competent in the fields of the Fund's activities" suggests several fundamental elements that are necessary but not sufficient for proper discharge of the responsibilities of the Executive Board, such as technical competence, ethical understanding, communication skills, excellence, humanism, accountability and altruism. If freedom of appointment meant that Member States could ignore these elements when designating their representatives in the Executive Board, achievement of the organization's objectives and the proper administration of business could not be guaranteed. Hence, it was in IFAD's interests to require its Member States to designate persons with the necessary competence in the fields of its activities.
17. Admittedly, section 4 of the By-laws is currently couched in rather broad language, but nothing prevents the Executive Board from proposing to the Governing Council that it spell out in greater detail the ethical dimensions of the competencies Member States are expected to ensure when designating their representatives in the Executive Board. The By-laws were adopted by the Governing Council pursuant to article 6, section 2(f) of the Agreement Establishing IFAD, which states that the Governing Council may, by a two-thirds majority of the total number of votes, adopt such regulations and by-laws not inconsistent with the Agreement, as may be appropriate for the conduct of the business of the Fund. When delegating its powers to the Executive Board under article 6, section 2(c) of the Agreement, the Governing Council expressly reserved this power. Accordingly, any amplification of section 4 of the By-laws has to be adopted by the Governing Council. There are nevertheless two aspects of a code of conduct that may only be regulated by the Executive Board. The first aspect concerns the issue of post-service employment within IFAD. It would be the responsibility of the Executive Board to act under article 6, section 8(d) of the Agreement in order to amend the Human Resources Policy so that it stipulates the necessary regulation. Similarly, an ethics committee could be established by the Board pursuant to rule 11 of its Rules of Procedures.

B. Contents of a code of conduct

(a) Application

18. Because of the international status of the executive directors in the other MFIs, the codes of conduct adopted in these organizations apply to executive directors, alternates and advisors unless otherwise indicated.²¹ With respect to assistants to

²⁰ Section 4, By-laws for the Conduct of the Business of IFAD.

²¹ Paragraph 1(b) of the Code of Conduct for Board Officials, adopted by IBRD, IFC, IDA and the Multilateral Investment Guarantee Agency (MIGA) (the World Bank Group), <http://siteresources.worldbank.org/BODINT/Resources/CodeofConductforBoardOfficialsDisclosure.pdf> (hereafter: IBRD code); paragraph 2 of the Code of Conduct for the Members of the Executive Board of the IMF <http://www.imf.org/external/hrd/edscod.htm> (hereafter: IMF code); rule 2 of the Code of Conduct for Officials of the Board of Directors of the European Bank for Reconstruction and Development, <http://www.ebrd.com/about/strategy/general/code1.pdf> (hereafter: EBRD code); article 2 of the Code of Conduct for Executive Directors of the African Development Bank and the African Development Fund,

executive directors, the provisions of the various staff codes of conduct normally apply to assistants in the executive directors' own offices, and it is up to the directors themselves to take such measures as are necessary and appropriate.²² Since representatives of Members, alternates and their assistants are not officials of IFAD, the foregoing cannot be replicated in IFAD. The scope of IFAD's code will have to be restricted to the persons designated as representatives of Members and alternates.

a. Basic standard of conduct

19. Typically, the codes of conduct of the other MFIs stipulate that the executive directors should observe the highest standards of ethical conduct and that, in the performance of their duties, they are expected to carry out the mandate of the institution to the best of their ability and judgement, and to maintain the highest standards of integrity. In the case of IFAD, this will have to be phrased differently. A possible articulation could be:

"Member States shall require that their representatives observe the highest standards of ethical conduct and that, in the performance of their duties, they carry out the mandate of the institution to the best of their ability and judgement, and maintain the highest standards of integrity."

b. Conduct within IFAD

20. The codes adopted by the other MFIs contain provisions stating that the executive directors should treat their colleagues and the staff with courtesy and respect, without harassment, physical or verbal abuse. Moreover, they provide that the executive directors should exercise adequate control and supervision over matters for which they are individually responsible, and they should ensure that property and services of the institution are used by themselves and persons in their offices for official business only.²³ Clearly, as the prescriptions presume that the executive directors are officials of the institution and are resident, they are not relevant to IFAD.

c. Protection of confidential information

21. Codes of conduct adopted in the other MFIs also provide that, in line with the rules and guidelines of the organization concerned, executive directors have the responsibility to protect the security of any confidential information provided to, or generated by, the organization.²⁴ In the case of IFAD, this requirement could be stated as follows:

"Member States shall require their representatives to protect the security of any confidential information provided to, or generated by, the Fund in accordance with the rules and guidelines of the organization."

d. Public statements

22. In IFAD, the Executive Board operates exclusively on a collective basis, and the representatives of Members and alternates are not externally recognizable as such. Since the representatives remain officials of the designating Member States, unlike

<http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/30716687-EN-CODE-OF-CONDUCT-EDS-ENGLISH.PDF> (hereafter: AfDB code); paragraph 2 of the Code of Conduct for the Board of Directors of the Asian Development Bank, <http://www.adb.org/bod/Code-of-Conduct.pdf> (hereafter: AsDB code).

²² A code of professional ethics for the IBRD/IDA, IFC, MIGA and the International Centre for Settlement of Investment Disputes (ICSID) (the World Bank Group) is under construction,

<http://web.worldbank.org/wbsite/external/extaboutus/organization/orgunits/extethics/0..contentMDK:21945064~menuPK:780507~pagePK:64168445~piPK:64168309~theSitePK:593304,00.html>; Code of Conduct for EBRD Personnel and Experts, paragraph 2, <http://www.ebrd.com/about/strategy/general/code2.pdf>; IMF Code of Conduct for Staff, paragraph 1, <http://www.imf.org/external/hrd/code.htm>; and Af DB Code of Conduct for Staff Members, paragraph 1.2, <http://www.afdb.org/en/about-us/structure/auditor-generals-office-oagl/integrity-and-anti-corruption/code-of-conduct/>.

²³ IBRD code, paragraph 5; IMF code, paragraph 4; EBRD code, rule 11; AfDB code, article 4; and AsDB code, paragraph 9.

²⁴ IBRD code, paragraph 4; IMF code, paragraph 5; EBRD code, rule 10; AfDB code, article 15; AsDB code, paragraph 7.

in the case of the other MFIs,²⁵ there would appear to be no useful purpose in stipulating that they should, when making public statements or speaking to the media on Fund-related matters, make clear whether they are speaking in their own name or on behalf of the Executive Board.

e. Conflicts of interest

23. It is common for codes of conduct of MFIs to provide that, in performing their duties, executive directors will carry out their responsibilities to the exclusion of any personal advantage, and that they should avoid any situation involving a conflict, or the appearance of a conflict, between their personal interests and the performance of their official duties. The codes further provide that, if such a conflict arises, executive directors should promptly inform the board's ethics committee and withdraw from participation in decision-making connected with the matter. If the conflict is potential rather than actual, executive directors should seek the advice of the ethics committee about whether they should exclude themselves from the situation that is creating the conflict or the appearance of conflict.²⁶
24. It is to be presumed that, as they are serving government officials, the persons that represent Member States in IFAD's Executive Board are subject to the professional codes of conduct of their State and that, by virtue thereof, they are supposed to avoid conflicts of interest as described above. This presumption could be restated in the following terms in an IFAD code:

"Member States shall ensure that they have in place appropriate rules and procedures to require that their representatives carry out their responsibilities to the exclusion of any personal advantage and avoid any situation involving a conflict, or the appearance of a conflict, between their personal interests and the performance of their official duties. Similarly, in the event that such a conflict arises, Member States shall require that their representatives should promptly inform the national authority and withdraw from participation in decision-making connected with the matter."

25. It must be conceded, however, that from a purely legal standpoint, applying the concept of conflict of interest to the representatives of Member States is somewhat contradictory. As these representatives are officials of their governments, they owe loyalty to those governments and act upon the latter's instructions. Thus, requiring persons who are executing government instructions at an IFAD meeting to abstain from participating on account of something related to their personal lives does not fully fit into the image of delegates. It must be presumed that the Member State, irrespective of the personal circumstances of its envoy, is the master of the contents of the instructions and will thus be able to manage the conflict of interest at national level, without the need for this to reflect in any IFAD meeting.

f. Personal financial affairs

26. The MFI comparators provide varyingly that executive directors should not use, or disclose to others, confidential information to which they have access, for purposes of carrying out private financial transactions.²⁷ To capture this principle, the Governing Council could state in the code to be developed that:

"Member States shall require their representatives to avoid having any direct or indirect financial interest in an IFAD operation and to refrain from using information obtained in the discharge of their duties, which is not otherwise available to the public, for the purpose of directly or indirectly furthering their personal interests or the personal interests of any other person or entity,

²⁵ IBRD code, paragraph 2(4)(c); IMF code, paragraph 6; EBRD code, rule 2(c); AfDB code, article 11; AsDB code, paragraph 7.

²⁶ IBRD code, paragraph 18; IMF code, paragraph 7; EBRD code, rule 3(a) and (b); AfDB code, article 12; AsDB code, paragraph 4(a) and (b).

²⁷ IBRD code, paragraph 8(b)(i)-(iii); IMF code, paragraph 8; EBRD code, rule 8; AfDB code, article 14(i) and (ii); AsDB code, paragraph 5.

including but not restricted to where this might lead to actual or perceived preferential treatment.”

(h) Disclosures

27. Given that the representatives of Member States are not remunerated by IFAD and are not officials of the Fund, IFAD has no legal authority to require financial disclosure in the same way as is done by the other MFIs. However, it is to be expected that officials of the level of the persons eligible for designation as representatives of their government are already subject to requirements under national law to make written disclosure to a compliance officer of any financial or business interests of their own or their immediate family members. Unlike persons who are MFI officials, representatives would remain bound by such a national requirement while serving on the Executive Board. Thus, in the case of IFAD, the following provision could be adopted:

“It is incumbent upon Member States to have mechanisms in place to ensure that their representatives, upon assumption of office, make written disclosure to a competent authority of any business interests of their own or of their spouses that may give rise to a conflict of interest in IFAD. Upon the request of the Executive Board, the Member shall share that information with the President.”

(i) (i) Gifts and entertainment

28. As with financial disclosure, it must be presumed that, in regard to acceptance of favours, gifts and entertainment,²⁸ representatives of Member States are required under national laws to exercise tact and judgement to avoid the appearance of improper influence on the performance of their official duties. It must be equally presumed that the ordinary courtesies of international business and diplomacy may be accepted, but substantial and unusual gifts, favours and entertainment, as well as loans and other services of significant monetary value, should not be accepted. Therefore, for the same reasons as stated in relation to financial disclosure, a provision stating the responsibility of the Member State should suffice:

“It is incumbent upon Member States to have rules in place in regard to acceptance of favours, gifts and entertainment by their representatives and to require under national laws that representatives exercise tact and judgement to avoid the appearance of improper influence on the performance of their official duties.”

(ii) (j) Post-IFAD employment

29. As representatives of Member States remain officials of their countries, unlike in the other MFIs, IFAD lacks the legal authority to require that, when negotiating for, or entering into an arrangement concerning, prospective employment outside the Fund, representatives should not allow such circumstances to affect the performance of their duties.²⁹ However, IFAD has an interest in ensuring that, where involvement in a Fund matter could benefit, or could be perceived as benefiting, the prospective employer, regardless of whether there is detriment to the Fund or their constituents, representatives should exclude themselves from, and be replaced in, the corresponding session or item. Thus, the Governing Council could provide as follows:

“Member States shall require that, when negotiating for or entering into an arrangement concerning prospective employment outside of the Fund, representatives should not allow such circumstances to affect the performance of their duties. They shall ensure that, where involvement in a Fund matter

²⁸ IBRD code, paragraph 10; IMF code, paragraph 10; EBRD code, rule 7; AfDB code, article 16; AsDB code, paragraph 8.

²⁹ IBRD code, paragraph 9(c); IMF code, paragraph 11; EBRD code, rule 6(a)-(b); AfDB code, article 17(i)-(ii); AsDB code, paragraph 6(a).

could benefit, or be perceived as benefiting, the prospective employer, regardless of whether there is detriment to the Fund or their constituents, representatives should exclude themselves from, and be replaced in, the corresponding session or item.”

30. The other MFIs also have a cooling-off period for post-service employment with the institution.³⁰ In the case of the Fund, this can be achieved in the following way by a provision in the Human Resources Policy adopted by the Executive Board:

“In the exercise of the appointment and contracting authority under the Agreement Establishing IFAD, the President shall not consider eligible for appointment as a staff member or for contracting as a consultant any representative of a Member State who has served on the Executive Board and has ended such service less than two years earlier.”

C. Ethics committee

31. A non-plenary ethics committee of the executive board to consider matters relating to the codes of conduct is also standard in the other MFIs. In addition, ethics committees are authorized to give recommendations on the ethical aspects of the executive directors’ conduct, including the conduct of their alternates, advisors and assistants. It is common for the codes to provide that the General Counsel of the institution, or if absent his or her representative, should be the permanent secretary of the committee. (It appears that the Asian Development Bank and the World Bank differ from this rule. In those institutions the Secretary/Corporate Secretary of the institution acts as secretary of the Ethics Committee, with the General Counsel acting as counsel to the Committee.) The meetings of the ethics committee are generally restricted to members only and to the committee’s permanent secretary, except at the committee’s invitation. The responsibility of the ethics committees is to consider any alleged misconduct by an executive director, and any matters brought to its attention by the compliance officer concerning the disclosures made by executive directors about any actual or potential conflict of interest. The executive director concerned should, in all cases, be given the opportunity to present his or her views to the committee. If the ethics committee concludes that misconduct has been committed, it will make recommendations to the executive board – taking into account both the nature and seriousness of the misconduct and the executive director’s prior record of conduct – regarding whether a warning should be issued to the executive director concerned, and whether such warning should be conveyed to the governor(s) of the Member State (or States) that appointed, elected or designated the executive director.
32. As stated above, in IFAD, a similar ethics committee could be established by the Board pursuant to rule 11 of its Rules of Procedures. In the other institutions, such ethics committees operate as follows. Upon receiving the recommendations of the ethics committee, the executive board considers which of the following actions to take: (i) no further action in the matter; (ii) issuance of a warning to the executive director; or (iii) issuance of a warning to the executive director and transmittal of the warning to the governor(s) of the member country (or countries) that appointed, elected or designated the executive director. The executive director concerned would, in all cases, have the opportunity to present his or her views to the committee of the whole, but would not participate in the deliberations on the case.³¹ Given that no sanction will have to be imposed, but rather that the Member State concerned will be informed of any recommended action, there is no legal objection against replicating the above system within IFAD. The question is, however, whether such a committee would be needed in IFAD, given that the

³⁰ IBRD code, paragraph 9(e); IMF code, paragraph 11; EBRD code, rule 6(c); AfDB code, article 17(iii); AsDB code, paragraph 6(b).

³¹ IBRD code, paragraph 17(c); IMF code, paragraph 12; EBRD code, rule 14; AfDB code, article 18(iv); AsDB code, paragraph 10.

Executive Board is not composed of individuals but of Member States. Thus in the case of IFAD such a committee would not be overseeing activities of officials of the organization itself, but of representatives of Member States, although it would have no power over such representatives.

D. Sanctions

33. The fact that Board members are representatives of Member States and not officials of the Fund could potentially preclude attaching consequences to a finding of misconduct. Nevertheless, inspiration can be drawn from EBRD. Rule 17 of its Code of Conduct for Officials of the Board of Directors provides that investigation reports concerning a director should be sent by the president, "together with any written comments of the Director, to the Governor(s) that voted for the Director for his or her directorship. It is for such Governor(s) to decide, having heard and duly considered representations from the Director what, if any action should be taken against him or her. The President shall ascertain the decision of the Governor(s)." This means that it will be incumbent upon the authority that voted for the director to adopt the necessary measures. Translated to the situation in IFAD, this principle could be articulated as follows:

"Findings of the Ethics Committee of the Executive Board shall be sent to the Member State through the official channel of communications foreseen in section 2(1) of the By-laws for the Conduct of the Business of IFAD. It is for such Member State to decide, having heard and duly considered the arguments of the representative, what, if any, action should be taken against him or her. The President shall ascertain the decision of the Member State."

VI. Next steps

34. If the foregoing approach is agreeable to the Audit Committee, the necessary draft for the following instruments will be developed for its next meeting:
- By-laws for the Conduct of the Business of IFAD.
 - Human Resources Policy.

Table of comparison

This table of comparison compares the codes of conduct of certain selected international and regional MFI. The comparison focuses on typical provisions that are of material relevance and that may be of interest when contemplating the possible contents of a prospective code of conduct for members of the Fund's Executive Board.

As a main rule, the wordings in the tables do not represent the original wordings of the respective codes, as they are rewritten and standardized for better comparability and comprehensibility.

Also, it should be noted that the comparison is focused exclusively on the contents of the codes of conduct of the MFI's concerned, meaning that an apparent lack of a provision in a certain MFI's code of conduct does not imply the complete lack of such a provision in the context of the legal regime of the MFI, as such a provision may have been included in the MFI's other internal rules and regulations that are applicable from time to time.

The IBRD, IDA and IFC share the same code of conduct, and are therefore all represented in the same column.

Definitions

- ADB means Asian Development Bank
- AFDB means African Development Bank
- EBRD means European Bank for Reconstruction and Development
- EC means committee performing the functions of an Ethical Committee of the respective MFI.
- Fund means the International Fund for Agricultural Development
- IBRD means International Bank of Reconstruction and Development
- IDA means International Development Association
- IDB means Inter-American Development Bank
- IFC means International Finance Corporation
- IMF means International Monetary Fund
- MB means member(s) of the board of an MFI
- MFI means Multilateral Financial Institution and is used as a generic term to indicate the relevant MFI

	ADB	AFDB	IDB	EBRD	IMF	IBRD, IDA, IFC
General provisions						
Duty of MB	MB shall carry out his to the best of his ability and judgment, and shall maintain the highest standards of integrity in his personal and professional conduct and observe principles of good governance.	MB shall observe the highest standards of ethical conduct. In the performance of his duties, he is expected to carry out the mandate of MFI to the best of his ability and judgment, and maintain the highest standards of integrity. He shall perform his official functions with impartiality and utmost discretion.	MB shall at all times observe the highest standards of personal and professional ethical conduct. He shall carry out his mandates to the best of his ability and judgment. He shall at all times maintain the highest standards of integrity and exercise his fiduciary responsibility to MFI with objectivity and impartiality.	MB shall act honestly and with propriety. MB's official duties should be carried out in a manner that preserves and enhances public confidence in MB's integrity and the integrity of the MFI. MB's duties should be discharged with the interests and objectives of the MFI in view and should be consistent with MB's obligations to his constituency.	MB should observe the highest standards of ethical conduct. In the performance of their duties, they are expected to carry out the mandate of the MFI to the best of their ability and judgment, and to maintain the highest standards of integrity.	MB shall carry out their best of their ability and judgment. MB shall maintain the highest standards of integrity in their conduct and observe principles of good governance. MB shall hold the interests of the MFI paramount over personal interests, and avoid conduct that could bring the MFI into disrepute or create the appearance of impropriety.
Devotion of time to the MFI	MB shall devote such time and attention to the activities of the MFI as its interests may require.	MB shall devote all his time to the service of the MFI. MB's shall take up and maintain residence at the MFI's headquarters.	MB shall devote such time and attention to the activities of the MFI as its interests may require.	-	-	MB shall devote such time and attention to the activities of the MFI as its interests may require.
Confidentiality						
MB shall not disclose confidential information	MB shall not disclose any confidential information to outsiders, except as required to perform his duties as MB, and except in regard of his constituency.	MB shall not disclose any confidential information to outsiders, except as required to perform his duties as MB, and except in regard of his constituency.	MB shall not disclose any confidential information to outsiders, except as required to perform his duties as MB, and except in regard of his constituency.	MB shall not disclose any confidential information to outsiders.	MB shall not disclose any confidential information to outsiders.	MB shall not disclose any confidential information to outsiders, except as required to perform his duties as MB, and except in regard of his constituency.
Conflicts of Interest						
Duty to avoid conflicts of interest	MB shall avoid any situation involving an actual conflict, or the appearance of a conflict, between his personal interests and the performance of his official duties.	MB shall avoid any situation involving an actual conflict, or the appearance of a conflict, between his personal interests and the performance of his official duties.	MB shall avoid any situation involving an actual conflict, or the appearance of a conflict, between his personal interests and the performance of his official duties.	MB shall avoid any situation involving an actual conflict, or the appearance of a conflict, between his personal interests and the performance of official duties.	MB shall avoid any situation involving an actual conflict, or the appearance of a conflict, between his personal interests and the performance of his official duties.	MB shall avoid any situation involving an actual conflict, or the appearance of a conflict, between his personal interests and the performance of his official duties.

	ADB	AFDB	IDB	EBRD	IMF	IBRD, IDA, IFC
				Same applies for the personal interests of members of immediate family of MB.		
Required action in case of conflict of interest	In case of conflict, MB should promptly inform the EC and, if required, withdraw from participation in decision-making connected with the matter.	In case of conflict, MB should promptly inform the EC and, if required, withdraw from participation in decision-making connected with the matter.	-	In case of conflict, MB should promptly inform the Chief Compliance Officer and, if required, withdraw from participation in decision-making connected with the matter.	In case of conflict, MB should promptly inform the EC and, if required, withdraw from participation in decision-making connected with the matter.	In case of conflict, MB should promptly inform the EC and, if required, withdraw from participation in decision-making connected with the matter.
Outside activities	-	MB shall refrain from participating in active politics in his home country or elsewhere.	MB shall resign from any position if required so as to perform his duties with integrity, impartiality and objectivity.	MB shall not engage in outside activities incompatible with the proper discharge of his duties and responsibilities to the MFI. MB shall not engage in self-employment or perform services for any public or private entity. MB may teach, publish and hold lectures outside official duties.	-	MB shall not engage in outside activities incompatible with the proper discharge of his duties. MB shall obtain the prior authorization of the EC for all activities outside official duties, except that teaching, lecturing, and writing do not require EC authorization.
Personal Financial Affairs						
Disclosure	-	MB shall disclose any financial interests of his own or his spouse that may give rise to a conflict of interest.	MB shall disclose any financial interests of his own or his immediate family that may give rise to a conflict of interest and recuse themselves from deliberation of the matter.	MB shall disclose any financial interests of his own or his immediate family that exceeds a <i>de minimis</i> threshold, determined by the MFI from time to time.	MB shall disclose any financial interests of his own or of his immediate family.	MB shall disclose any financial interests of his own or of his immediate family.
Financial interest in transactions related to MFI	MB shall avoid having any financial interest in transactions, projects or enterprises involving the MFI.	MB shall avoid having any financial interest in transactions of the MFI.	MB shall divest himself of any financial interest if required so as to perform his duties with integrity, impartiality and objectivity.	MB shall avoid conflicts of interest between his personal financial affairs and the interests of the MFI.	MB shall not engage in short-term trading in gold, foreign currencies, and closely related financial instruments, for speculative purposes.	MB shall avoid having any financial interest in transactions, projects or enterprises involving the MFI.

	ADB	AFDB	IDB	EBRD	IMF	IBRD, IDA, IFC
Securities issued by MFI and short term trading	MB may trade in securities issued by MFI. MB shall not engage in short-term trading in securities issued by MFI.	-	-	MB shall not acquire Financial Interest in a loan made by the MFI, or securities of any entity engaged in a financial transaction or other financial or supplier relationship with the MFI. MB shall not engage in short-term trading in securities issued by MFI.	-	MB may trade in securities issued by MFI. MB shall not engage in short-term trading in securities involving the MFI.
Insider information obtained in the discharge of duties at the MFI	MB shall not use any insider information to further his private interests or those of any other person or entity.	MB shall not use any insider information to further his private interests or those of any other person or entity.	-	MB shall not use any insider information to further his private interests or those of any other person or entity.	MB shall not use insider information for purposes of carrying out private financial transactions.	MB shall not use any insider information to further his private interests or those of any other person or entity
Employment						
General	MB shall not allow prospective employment outside the MFI (including for immediate family members) influence the performance of his duties.	MB shall not allow prospective employment outside the MFI influence the performance of his duties. MB shall recuse themselves from deliberation on matters involving a prospective employer.	MB shall not allow prospective employment outside the MFI influence the performance of his duties. MB shall recuse themselves from deliberation on matters involving a prospective employer.	-	MB shall not allow prospective employment outside the MFI influence the performance of his duties. MB shall recuse themselves from deliberation on matters involving a prospective employer.	MB shall not allow prospective employment outside the MFI influence the performance of his duties. MB shall disclose prospective employment to the EC and recuse himself from deliberation on matters involving a prospective employer.
Cooling off period vis-à-vis previous employment	-	-	-	-	-	For a period of one year after appointment, MB shall recuse himself from involvement in matters related to MFI dealings with his former employers and clients.
Cooling off period vis-à-vis future employment	-	-	-	MB who, within six months from his separation from the Bank, has been involved in deliberations in respect of a financial transaction with an	MB who leave the MFI should not use or disclose confidential information known to him by reason of his service with the MFI, and should not contact MB or other	For a period of one year from his separation from the MFI, MB shall recuse himself or herself from involvement in or influence on matters related to the MFI

	ADB	AFDB	IDB	EBRD	IMF	IBRD, IDA, IFC
				<p>outside entity, is prohibited from working for that entity for a period of six months after separating from the Bank.</p> <p>MB shall not contact any person affiliated with MFI for one year following MB's separation from the MFI, if MB's contact is made for and on behalf of the subsequent employer</p>	Fund officials (other than through official channels) to obtain confidential information.	dealings with his subsequent employer.
Future employment within the MFI	MB shall not take up appointment at the MFI, within one year following the end of his service.	MB shall not take up appointment at the MFI, within two years following the end of his service.	-	MB shall not take up appointment at the MFI, within six months following the end of his service.	-	MB shall not take up appointment at the MFI, within one year following the end of his service.
Gifts and Entertainment						
MB shall not accept gifts	MB shall not accept substantial and unusual gifts, favours and entertainment, and other services of significant monetary value.	MB shall not accept substantial and unusual gifts, favours and entertainment, and other services of significant monetary value.	MB shall not accept substantial and unusual gifts, favours and entertainment, and other services of significant monetary value.	MB shall not accept substantial and unusual gifts, favours and entertainment, and other services of significant (above £100 or as determined by MFI from time to time) monetary value.	MB shall not accept substantial and unusual gifts, favours and entertainment, and other services of significant monetary value.	MB shall not accept substantial and unusual gifts, favours and entertainment, and other services of significant monetary value.
Ethics Committee						
MFI has an Ethics Committee	Yes	Yes	Yes	Yes	Yes	Yes
Misconduct	-	EC shall recommend to the Board of Directors whether a warning should be issued to an MB, and conveyed to the MB's constituency.	EC shall recommend to the Board of Directors whether a warning should be issued to an MB, and conveyed to the MB's constituency.	The MFI President shall send a copy of an Inquiry Officer's Report, together with any written comments of the MB to the MB's constituency.	EC shall recommend to the Board of Directors whether a warning should be issued to an MB, and conveyed to the MB's constituency.	In cases of misconduct by an MB, measures may include a written censure and provision of notice of such censure or other action to the constituency of the MB