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**To:** The Board of Governors

**From:** The Secretary

**Subject:** Regulations for the Election of Executive Directors of the Inter-American Investment Corporation

Attached for your information are the Regulations for the Election of Executive Directors of the Inter-American Investment Corporation. They were approved on 1 June 2017 pursuant to the terms of Resolution CII/AG-6/17, which was adopted by the procedure for taking a vote without calling a meeting established in Section 4 of the By-laws of the Corporation.

**Supersedes:** CII/AB-8-1(9/86)

**Reference:** CII/AB-1464-8(3/17), CII/AG-6/17



INTER-AMERICAN INVESTMENT CORPORATION  
REGULATIONS FOR THE ELECTION OF EXECUTIVE DIRECTORS

Part 1: Election of Executive Directors

Section 1:       Governors Eligible to Participate in Election

The Governors for the countries referred to in Article IV, Section 4(c) of the Agreement Establishing the Corporation, except for the Governor for the country referred to in Article IV, Section 4(c)(i), shall be eligible to vote and shall elect not more than twelve Executive Directors.

Section 2:       Election by Governors for Regional Developing Member Countries.

The Governors for the regional developing member countries shall, in accordance with the following provisions, elect nine Executive Directors, which number could be increased to ten pursuant to subparagraph (e) below:

- (a) This section shall apply exclusively to the regional developing member countries, and the total voting power of those countries shall be counted as 100 per cent for the purposes hereof.
- (b) Each Governor eligible to vote under this section shall cast in favor of a single person all the votes to which the member he represents is entitled under Article IV, Section 3(a), of the Agreement Establishing the Corporation.
- (c) In the first place, as many ballots as are necessary shall be taken until six persons have been elected Executive Directors in the following manner:
  - (i) Each of the two countries with the greatest voting power may elect one Executive Director with the votes of the respective country.
  - (ii) One candidate has received a number of votes constituting not less than the sum of the votes appertaining to the country with the third greatest voting power and to the country with the least voting power.
  - (iii) One candidate has received a number of votes constituting not less than the sum of the votes appertaining to the country with the fourth greatest voting power and to the country with the least voting power.
  - (iv) The Governors of the two countries with the fifth greatest voting power and the Governor of the country with the seventh greatest voting power shall elect two Executive Directors. The two candidates who receive the greatest number of votes shall be deemed elected, provided one candidate receives the votes of two countries.
- (d) In the second place, Governors whose votes have not been cast in favor of any of the Directors elected under paragraph (c) above, shall elect three Executive Directors, on the basis that only countries individually having not more than two and a half per cent (2-1/2%) of the eligible votes may present candidates and vote. The three candidates who receive the greatest number of votes shall be deemed elected, provided that one candidate receives the

votes of at least four countries and the other two candidates receive the votes of not less than three countries each. As many ballots shall be taken as are necessary to reach this result.

- (e) In the event that the Governors for the member countries referred to in Section 3 below do not fulfill, within the term prescribed in said Section, the condition for the election of an additional Executive Director, the Governors eligible to vote under this section shall elect an Executive Director additional to those indicated in paragraph (c) above. To that effect, the Executive Directors referred to in subsections (c) (i) to (iv) and the additional Executive Director referred to in the present subsection shall be elected in accordance with the following procedures established in subparagraph (c) above and as follows:
  - (i) Each one of the four countries with the greatest voting power may elect one Executive Director with the votes corresponding to its respective country.
  - (ii) Two candidates have received a number of votes constituting not less than the sum of the votes appertaining to one country with the fifth greatest voting power and to the country with the least voting power.
  - (iii) One candidate has received a number of votes constituting not less than the sum of the votes appertaining to the country with the seventh greatest voting power and to the country with the least voting power.
- (f) After the balloting has been completed, each Governor who has not voted for any of the candidates elected shall assign his votes to one of them. The number of votes appertaining under Article IV, Section 3(a), of the Agreement Establishing the Corporation to each Governor who has voted for or assigned his votes to a candidate elected under these Regulations shall be deemed for the purposes of Article IV, Section 4(f), of the Agreement to have counted toward the election of such candidate.

### Section 3. Election by Governors for Other Countries.

The Governors for the members referred to in Article IV, Section 4(c)(iii) of the Agreement Establishing the Corporation shall elect two Executive Directors, which will be increased by one additional Executive Director if, not later than the final date set forth in Article XI, Section 1(a) of the Agreement, the total shares subscribed by said countries amount to not less than 3,000 shares. The election shall be held in accordance with the following provisions:

- (a) This Section shall apply exclusively to the members referred to in Article IV, Section 4(c)(iii) of the Agreement and the total voting power of those countries shall be counted as 100 per cent for the purposes hereof.
- (b) Each Governor eligible to vote under this Section shall cast in favor of a single person all the votes to which the member country he represents is entitled under Article IV, Section 3(a), of the Agreement Establishing the Corporation.
- (c) (i) Until such time as the total shares subscribed by said countries shall reach or exceed 3,000 shares, the two candidates receiving the largest number of votes shall be Executive Directors, provided that no person shall be deemed elected unless he has received the votes of two or more Governors.

- (ii) In the event that the total shares subscribed by said countries shall reach or exceed 3,000 shares, the three candidates receiving the largest number of votes shall be Executive Directors, provided that no person shall be deemed elected unless he has received the votes of two or more Governors.
- (iii) As many ballots as are necessary shall be taken until two or three candidates, as the case may be, have been elected.
- (d) After the balloting has been completed, each Governor who did not vote for either of the candidates elected may assign his votes to one of them. The number of votes appertaining under Article IV, Section 3(a), of the Agreement Establishing the Corporation to each Governor who has voted for or assigned his votes to a candidate elected under these Regulations shall be deemed for the purposes of Article IV, Section 4(f), of the Agreement to have counted toward the election of such candidate.

#### Section 4. Conditions of service of Executive Directors and Appointment of Alternates.

- (a) The Executive Directors and Alternates shall be elected or appointed among the Executive Directors and Alternates of the Inter-American Development Bank (“the Bank”), except when:
  - (i) a member country or a group of member countries of the Corporation is represented in the Board of Executive Directors of the Bank by an Executive Director and an Alternate who are citizens of countries which are not members of the Corporation; and
  - (ii) given the different structure of participation and composition, the member countries referred to in Article IV, Section 4(c)(iii) of the Agreement, as per the rotation arrangements agreed upon among said member countries, designate their own representatives for the positions corresponding to them in the Board of Executive Directors for the Corporation, whenever they could not be adequately represented by Directors or Alternates of the Bank.
- (b) An elected Executive Director may appoint an Alternate Director of a nationality other than his own when he represents more than one country, either because the votes of others were required for his election or, if such votes were not required, because his country and another agreed to participate jointly in his election. If these events do not occur, the corresponding Executive Director may only appoint a person to represent him temporarily, in accordance with Article IV, Section 4(h) of the Agreement.

#### Part II: Rules of Procedure for the Election

##### Section 5. Notice of the Election

At least ninety days before the Annual Meeting of the Board of Governors at which a general election of Executive Directors is to be held, the Chairman of the Board of Executive Directors, or his designee, shall so notify the Governors and invite them to nominate candidates.

##### Section 6. Supervision of the Election

The Chairman of the Board of Governors shall supervise the election, shall appoint two Governors as tellers to supervise the balloting and count the proper votes, and shall take such other action as he deems necessary for the proper conduct of the election.

#### Section 7. Nominations

- (a) The election shall take place among the candidates nominated in accordance with these rules of procedure.
- (b) The Executive Directors shall be persons of recognized competence and wide experience in economic and financial matters and shall not be Governors.
- (c) A Governor may not nominate more than one candidate.
- (d) Nominations shall be submitted to the Chairman of the Board of Executive Directors, or his designee.
- (e) Each nomination shall be made in writing and shall be signed by the Governor making the nomination.
- (f) The Chairman of the Board of Executive Directors, or his designee, shall distribute to the Governors a list of the candidates nominated.
- (g) The period for nominating candidates shall end at 10:00 a.m. of the first day of the Annual Meeting of the Board of Governors at which the election is to be held.

#### Section 8. Election

- (a) The election shall consist of four separate stages. The two Executive Directors referred to in Section 2(c)(i) above shall be elected in the first stage. The other four Executive Directors referred to in Section 2(c) and the seventh Executive Director referred to in Section 2(e), if the case may be, shall be elected in the second stage; the three Executive directors mentioned in Section 2(d) above, shall be elected in third stage; and the two or three Executive Directors, as the case may be, mentioned in Section 3, in the fourth stage.
- (b) Each Governor may participate in only one stage of voting.
- (c) At the beginning of each stage of the voting, the Secretary of the Board of Governors shall announce the names of the official candidates and of the countries eligible to vote.

#### Section 9. Balloting

Each ballot shall be taken as follows:

- (a) Votes shall be cast on forms which the Secretary of the Board of Governors shall furnish before the beginning of the ballot to each Governor entitled to vote. On each ballot, only those votes shall be counted which have been cast on the forms distributed for that ballot.
- (b) After the name of each country is announced by the Secretary of the Board of Governors, the Governor therefor shall deposit his signed vote in the ballot box.

- (c) When a ballot has been completed, the tellers shall check the number of votes and proceed to a count of the votes cast.
- (d) If the tellers are of the opinion that any particular vote needs clarification or has not been properly executed, they shall, if possible, afford the Governor concerned an opportunity to correct it before completing the tally; and such vote, if so corrected, shall be deemed to be valid.
- (e) As many ballots as are necessary shall be taken until all the Executive Directors to be elected in the separate elections provided for in Section 2(c), Section 2(d), and in Section 3 above, have been elected, in each case in a single ballot.
- (f) The Chairman of the Board shall state whether or not an election has been effected and, if it has, he shall announce the names of the persons elected and of the member countries which elected them.

#### Section 10. Elimination of Candidates

In any ballots, the Governor or Governors who have nominated a candidate may advise the Secretary of the Board of Governors that he will not participate in succeeding ballots, in which case his name shall be removed from the list of candidates.

#### Section 11. Settlement of Differences

Any question arising in connection with the conduct of the election shall be resolved by the tellers, subject to appeal, at the request of any Governor, to the Chairman of the Board and from him to the Board. Whenever possible, questions shall be put without identifying the member country or Governor concerned.

### Part III. Vacancies in the Board of Executive Directors

#### Section 12. Election to Fill Vacancy

Directors shall continue in office until their successors are elected. If the office of an elected Director becomes vacant more than 180 days before the end of his term, a successor shall be elected for the remainder of the term, by the Governors who have elected the former Director.

#### Section 13. Notification of Vacancy

When a new Executive Director must be elected because of a vacancy requiring an election, the Chairman of the Board of Executive Directors shall immediately notify the member countries which elected the former Director of the existence of the vacancy and request that candidates be nominated.

#### Section 14. Procedures for Election

The Chairman of the Board of Executive Directors may convene a meeting of the Governors of such countries for the exclusive purpose of electing a new Director or he may conduct the election by any rapid means of written communications. Successive ballots shall be cast until one of the candidates receives an absolute majority of the votes cast.

### Part IV. Amendment of the Regulations

## Section 15. Requirements to Effect Amendments

The Board of Governors may amend these Regulations at any of its meetings, or by a vote without calling a meeting, by a majority of two-thirds of the total voting power of the member countries including:

- (a) with respect to amendments of Sections 1, 2, 4 through 14, and 15(a), a two-thirds majority of the regional developing members; and
- (b) with respect to amendments of Sections 3 and 15(b), a two-thirds majority of the Governors of the members referred to in Article IV, Section 4(c)(iii) of the Agreement Establishing the Corporation.

## Part V. Transitory provisions

### Section 16. Election of Executive Directors in Accordance with Section 3

In the event that the total shares subscribed by the members referred to in Article IV, Section 4(c)(iii) of the Agreement shall reach or exceed 3,000 shares prior to the expiration of the term established in accordance with Article XI, Section 1(a) of the Agreement and its extensions, a vacancy in the Board of Executive Directors shall be considered to exist. A special election to permit such of the members referred to in said Section 4(c)(iii), who shall not have cast ballots in the election of directors on September 13, 1986, to fill this vacancy shall then take place in accordance with Part III of these Regulations.

### Section 17. Initial Period

The Executive Directors elected in the first election to take place after the adoption of the present Regulations shall be elected for the period from the date of their election to June 30, 1987.