

8th DFI Corporate Governance Group Meeting



March 4-6, 2014
Washington, D.C.

Charter of the CG DFI Working Group



Martin Steindl; Sanaa Abouzaid
FMO; IFC



Existing Working Group

Members:

- ADB- Enzo Gregori
- BSTDB- Vassilis Christakis
- CAF- Michael Penfold & Andres Oneto
- CDC- Barry Lawson
- DEG- Anne Keppler
- EBRD- Gian Piero Cigna & Sarah McKernan
- FMO- Martin Steindl
- IFC- Sanaa Abouzaid & Darrin Hartzler
- IIC-Rebeca Sanchez de Tagle White
- IsDB- Ababacar Gaye



Our Annual Events

- Paris, June 2004, hosted by IFC
Introduction & sharing of the IFC CG Methodology
- Amsterdam, March 2007, hosted by FMO & IFC
DFIs CG Approach Statement & CG Working Group
- Tunis, October 2008, hosted by AfDB
Strengthening CG collaboration among DFIs
- Rio de Janeiro, November 2009, hosted by CAF
Implementation assessment and agreement on creating common CG tools
- Jeddah, January 2011, hosted by IsDB
Introduction of the DFI Toolkit on CG
- Washington DC, September 2011, hosted by IFC
Signature of the CG Development Framework by 29 DFIs
- Cologne, February 2012, hosted by DEG
Introduction of the CG Development Framework
- Manila, February 2013, hosted by ADB
Implementation of the CG Development Framework
- Washington, DC, March 2014, hosted by IIC



Our Committees

Governance Committee

- The purpose of this Committee is to produce a Charter for the Working Group that should be endorsed at the next Annual Meeting of Signatories in 2014. The Charter will focus on the mandate of the Working Group, composition, rotation and proxies. It will also include the Terms of Reference for a Chairperson and possibly a Secretary.

Annual Conference Committee

- The purpose of this Committee is to help organize the next annual CG meeting of the Signatories. Its tasks include:
- Developing the agenda of the meeting;
- Coordinating/contacting the speakers and moderators of the meeting;
- Providing advice/assistance to the hosting institution on logistics/communication/post-meeting work, etc.



Our Committees

Business Case Committee

- The Business Case Committee will seek to build on the methodology presented in the Manila conference in February 2013 in order to build a database of companies/banks that are evaluated according to the common progression matrix. The results will then be correlated with certain financial indicators and other company/bank attributes to demonstrate possible linkages or trends.

Nominee Director Guidelines Committee

- The purpose of this Committee is to take stock of the different nomination procedures within DFIs for nominee directors on their respective investee companies. It will deal with questions of the use of internal and external nominee directors and produce a summary and/or guidance for Signatories.



Our Committees

Reporting Committee

- This Committee will review the 2012 reporting format and provide proposals to amend it based on the feedback received at the Reporting session held at the Annual Conference in Manila in February 2013.

Knowledge Sharing and Training Committee

- The purpose of this Committee is to restructure the existing website to allow improved access to information for all interested parties, Non-signatories as well as Signatories. The aspect of training is integrated in this Committee considering/using the website as a platform. The aim is to share knowledge of existing training programs and trainings facilitated by DFIs to allow for participation of fellow-signatories.



Purpose of the Working Group (WG)

- Organize an annual conference in which Signatories gather to share experience and foster communication and collaboration with each other,
- Coordinate and facilitate new Signatories' joining the Framework,
- Facilitate the annual reporting about progress in the implementation of the Framework, and
- Perform other tasks the Signatories may deem useful or provide specific assignments for (e.g. joint research projects).

Current and Future Composition

- Membership around nine representatives of Signatories.
- Geographical representation of Signatories in the WG would be desirable.
- A rotation mechanism that foresees the departure of up to three existing and the involvement of up to three new Signatories every year should be adopted.
 - For reasons of continuity, however, not more than three WG institutions should rotate every year at the occasion of the annual conference.
 - For the first two to three rotations the actual number of departing members should be higher than the number of Signatories requesting membership to better reach the ideal size of seven to nine.
- Each representative should remain with the WG for a minimum of two and a maximum of five years.
- The WG by majority vote can decide that a representative from a 'Key Signatory Institution' that can stay beyond five years.

Current and Future Composition

- To be considered as a candidate for membership in the WG, the interested Signatory can send an expression of interest in writing to the Chairperson of the Working Group.
- If there are more expressions of interest than available spots, the Signatories will undertake a selection of the new WG members at their annual event.
- The WG elects a Chairperson and a Secretary to provide leadership and ensure the WG operates efficiently and effectively.
 - Both assignments are for one year ideally from one annual conference to the next.
 - It is expected that each Signatory institution in the WG for at least one time during its tenure either hosts an annual event or presents its candidacy for the role of a Chairperson or Secretary.

Committee Structure

- The WG can establish Committees to better complete its tasks and assignments. Committees can be standing ones or only last until the assignment or task is completed.
- The composition of a Committee is not limited to WG members. Other representatives of Signatories who are not participating in the WG are encouraged to join any Committee. However, the Committee should involve at least one WG member to facilitate the communication with the entire WG.



Working Procedures

- The WG should at least gather through a bi-monthly (every other month) conference call depending on the intensity of Committee work existing in parallel. Once a year, the WG should meet in person, for example, one day prior to the annual conference.
- The WG strives to decide unanimously. In case such decision cannot be reached, the majority of WG members present will decide. In case of a tie, the Chairperson will have a casting vote. The presence quorum for any decision of the WG is at least 50%.
- Every institution should only nominate one permanent member to the WG. Substitute Members are able to join the WG calls in the capacity of observers. If they are expected to participate actively, the permanent member has the responsibility of briefing the substitute appropriately. Only one member per institution has a vote. A proxy in case a meeting is missed cannot be provided for.



Budget

- The Working Group is currently operating without a budget. It is expected that the Signatories of each member in the WG cover the respective costs and expenses of its member.
- The annual conferences' costs are taken care of by hosting institutions.
- Increasing/emerging costs to be discussed with all signatories (e.g. CG Development Framework Website)

END



Questions & Discussion