Update on the Framework's Implementation Progress

Sanaa Abouzaid – IFC
Andres Oneto – CAF

Agenda

- Background
- Corporate Governance Development Framework
- Signatories' implementation since September 2011
- Conclusion
- Open discussion

Background

Our main 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

Background

Our main events:

- 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

CG Development Framework

5 key components:

1. Integrating CG analysis in investment operations
2. Ensuring internal responsibility
3. Providing or procuring training
4. Collaborating with other signatories
5. Reporting on implementation

CG Working Group

Members:

- ADB- Enzo Gregori
- BSTDB- Vassilis Christakis
- CAF- Michael Penfold & Andres Oneto
- CDC- Niclas During
- DEG- Anne Keppler
- EBRD- Gian Piero Cigna
- FMO- Martin Steindl
- IFC- Sanaa Abouzaid & Darrin Hartzler
- IsDB- Ababacar Gaye

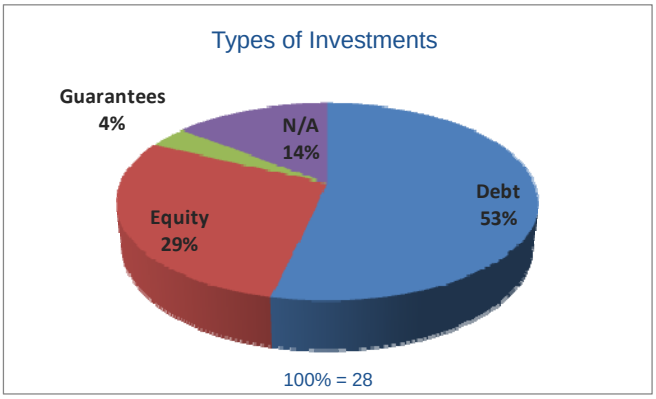
Reporting on Implementation

Methodology:

- Reporting Questionnaire sent to all 29 signatories
- Response rate of about 97% (28 replied)
- Data from missing DFI will be incorporated before sending the final report to our CEOs/Presidents
- Analyzed the received information and made an approximate evaluation of the implementation of the Framework since signing

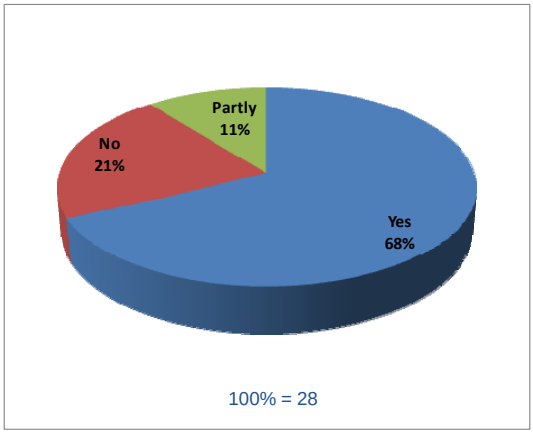
Overview of our Portfolio

All 28 responding DFIs have investments in the private sector



Integrating CG in Investment Operations

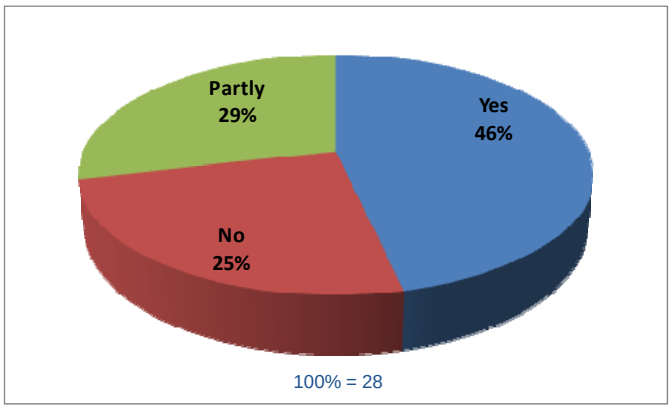
A. In your investment operations, do you have CG procedures and tools in line with the Framework's methodology?



In some cases, it is not clear if the CG tools applied are in line with the Framework's methodology

Integrating CG in Investment Operations

B. Since September 2011, have you conducted any CG assessments of investee companies and/or developed any CG action plans?

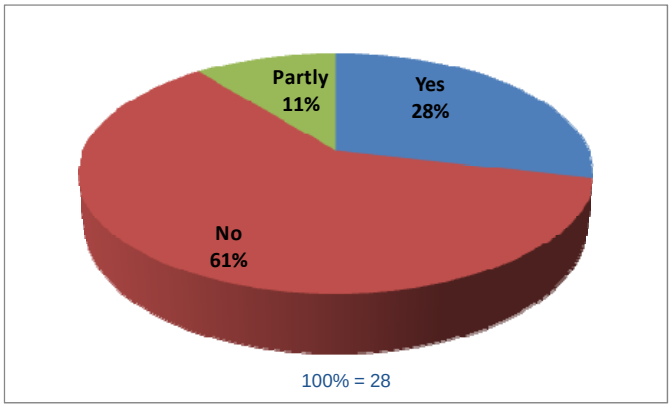


Assessments cover from 1 company to all companies in the portfolio

"Partly" is mostly related to pilot programs

Integrating CG in Investment Operations

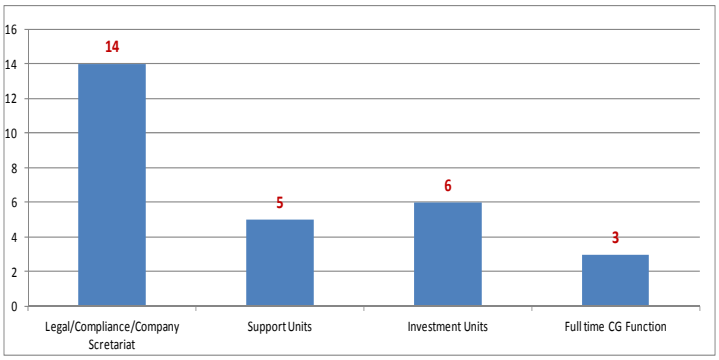
C. If you have developed CG action plans for investee companies, have you been monitoring the implementation of these plans?



Frequency of the monitoring activity is not clearly specified

Ensuring Internal Responsibility

Who is leading the implementation of the Framework in your institution?



All signatories appointed a CG leader

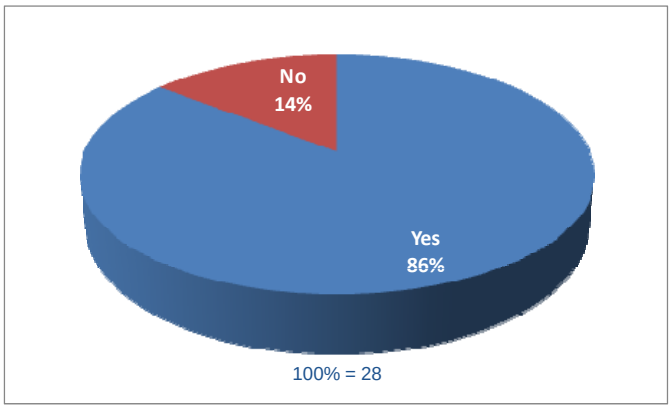
Only 3 of these leaders are exclusively focusing on CG

Providing or Procuring Training

A. Since September 2011, have you organized CG training for your staff?

Training activities with different intensity: from 1 hour to 50 hours

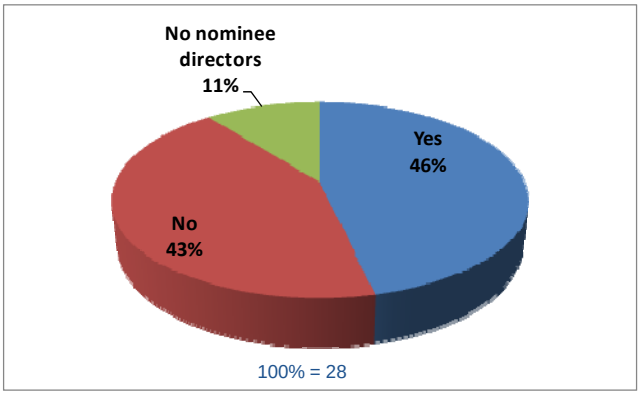
Frequency also varies from one to multiple trainings



Providing or Procuring Training

B. Since September 2011, have you organized CG training for your nominee directors?

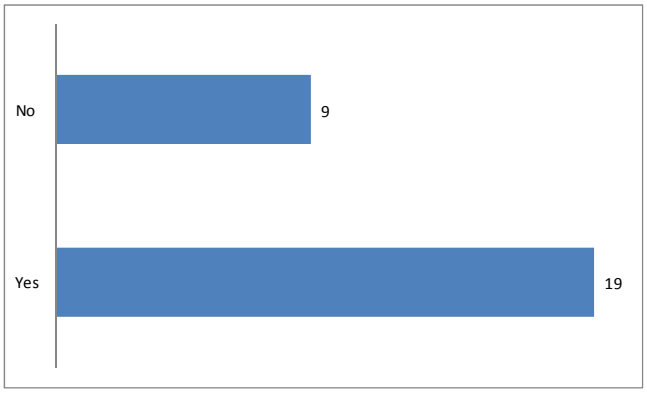
Training varies from single sessions to more structured and regular programs



Collaborating with other Signatories

- Since September 2011, have you collaborated with other signatories in CG? In which areas?

Collaboration consists mostly in: joint-training, participating in the annual DFI meeting, information sharing, joint CG events, and support in capacity building



Conclusion & Next Steps

Our future implementation would be enhanced by:

- Adoption of clear CG procedures in investment operations (ideally in line with the common DFIs CG tools)
- Assessment of CG in investee companies as needed
- Monitoring of CG action plans
- Staff dedicated mostly to CG
- Regular and in depth CG training for staff and nominee directors (when applicable)
- Increased collaboration among signatories in joint training and information sharing/advice on implementation

Discussion

- Main challenges in implementing the CG Development Framework in your institution?