

***Administration Agreement between Financial Sector Deepening Africa (FSD Africa) and the International Bank for Reconstruction and Development and the International Development Association concerning the Consultative Group to Assist the Poor (CGAP) Multi-Donor Trust Fund (Trust Fund No. 072917)***

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that Financial Sector Deepening Africa (FSD Africa) (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of three hundred twenty thousand United States Dollars (USD 320,000) (the “Contribution”) for the Consultative Group to Assist the Poor (CGAP) Multi-Donor Trust Fund (Trust Fund No. 072917) (the “Trust Fund”) in accordance with the terms of this Administration Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Administration Agreement.
2. The Contribution shall be used to finance the activities set forth in the “CGAP Multi-Donor Trust Fund Description” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the “Standard Provisions” attached hereto as Annex 2 and the provisions on “Governance” attached hereto as Annex 3.
3. The Donor shall deposit the Contribution promptly following countersignature in the full amount and currency (“Contribution Currency”) specified in paragraph 1 above into such bank account designated by the Bank upon submission of a payment request by the Bank.
4. When making any deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating the amount deposited, that the deposit is made by the Donor for Trust Fund No. 072917 (the CGAP Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to [tfremitadvice@worldbank.org](mailto:tfremitadvice@worldbank.org) or by fax sent to +1 (202) 614-1315.
5. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax or e-mail to the respective Party’s address specified below or at such other address as such Party notifies in writing to the other Party from time to time:

For the Bank:

Renu Sehgal  
Operations Officer, CGAP  
The World Bank  
1818 H St. NW, MSN IS 7-700  
Washington, DC 20433, USA  
Tel: +1 (202) 458-9081  
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For the Donor:

Matthew Rudd  
Director, Corporate Services  
Riverside Green Suites, Riverside  
P.O. Box 5980 – 00100, Nairobi, Kenya  
Tel: +254 20 4024000  
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6. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor, unless otherwise agreed with the Bank. When making any deposit, the Bank shall include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating the amount deposited, that the deposit is made by the Bank in relation to Trust Fund No. 072917 (the CGAP Multi-Donor Trust Fund), and the date of the deposit. The Bank shall provide a copy of such information to the Donor.

7. At the date of Bank's signature of this Administration Agreement, the Indirect Rate (as defined in Annex 1 to this Administration Agreement) is 17%.

8. All annexes hereto constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Agreement may be amended only by written amendment of all donors contributing to the Trust Fund.

*[remainder of page intentionally left blank]*

9. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION**

By: *Indermit Gill* Date: 17-Mar-2022  
Indermit S. Gill  
Vice President, EFI Practice Group

**FINANCIAL SECTOR DEEPENING AFRICA (FSD AFRICA)**

By: *Matthew Rudd* Date: 17-Mar-2022  
Matthew Rudd  
Director Corporate Services

By: *Michael Makale* Date: 18-Mar-2022  
Michael Makale  
Chief Finance Officer

## CGAP Multi-Donor Trust Fund Description

This Annex shall be applicable to and form an integral part of all administration agreements for the Trust Fund (collectively, the “Administration Agreements” and each an “Administration Agreement”) between the Bank and any entities that provide any funds to the Trust Fund (collectively, the “Donors”).

### 1. Objectives

The objective of the Trust Fund is to support the implementation of the CCAP’s activities which aims to improve the lives of poor people by spurring innovations, advancing knowledge and disseminating best practices that promote responsible and inclusive financial markets.

CGAP focuses on supporting progress in the following areas:

- (a) Understanding demand to effectively deliver for the poor
- (b) Advancing financial innovation for the poor
- (c) Developing robust provider ecosystems
- (d) Establishing an enabling and protective policy environment globally
- (e) Promoting effective and responsible funding for financial inclusion.

### 2. Activities

The activities to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

- (a) **Understanding Demand to Effectively Delivery for the Poor.** Carry out activities to better understand the financial needs of poor people and how financial service providers can improve financial products and service delivery for poor customers. Specific activities may include, but are not limited to, conducting surveys and research; partnering with select financial service providers to understand and develop best practice customer-centric approaches; disseminating technical tools and guidance for financial service providers; and building and launching a community of practice learning platform on customer-centric approaches to financial products and services for poor customers.
- (b) **Advancing Financial Innovation for the poor.** Conduct surveys and research on underserved segments’ demand for financial services, and provide technical support to financial service providers to develop tailored financial services products particularly using technology to lower delivery costs.
- (c) **Developing Robust Provider Ecosystems.** Facilitate knowledge sharing and provide technical assistance to policymakers and financial service providers as they develop efficient technology-enabled payment systems and identify policy barriers to innovation.
- (d) **Establishing an Enabling and Protective Policy Environment.** Support increased understanding of the interdependence of financial inclusion, financial stability, financial integrity and financial consumer protection among policymakers globally and at the country level that enables an environment for responsible and inclusive financial markets. Specific activities may include, but are not limited to, conducting surveys and research, disseminating evidence from emerging market and developing economies to inform policymakers when setting standards, and providing guidance to country-level policymakers, global standard-setting bodies and emerging global actors.

- (e) **Promoting Effective and Responsible Funding for Financial Inclusion.** Support the preparation of guidance for donors to play a catalytic role in market development through effective and responsible funding for financial inclusion. Specific activities may include, but are not limited to, conducting surveys and research, preparing publications and guidance, disseminating best practices and tools, designing and delivering training, workshops and seminars, and measuring inclusive financial market development and the level of donors' contributions to such development.
  - (f) **Knowledge Sharing and Outreach Activities.** Support the dissemination of knowledge products by implementing and managing an integrated communications platform, including dedicated websites, and strategic communications approaches and channels including, but not limited to publications, blogs, multimedia, live presentations, and online events.
  - (g) **Program Management and Administration** activities for the Trust Fund, including but not limited to, supporting any program governance arrangements and Trust Fund related meetings; planning and executing work plans and budgets; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program.
  - (h) **Implementation Support.** Provide implementation support to Recipient-executed activities.
- 2.2. Recipient-executed activities, for which one or more Recipients (as defined in Annex 2) have implementation responsibility:
- (a) Provide grants to selected Recipients to carry out CGAP activities in accordance with the Bank's applicable policies and procedures.

### 3. Eligible Expenditures

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

- (a) staff costs (excluding short term consultants and temporaries);
- (b) short-term consultants and temporaries;
- (c) contractual services;
- (d) equipment and office premises lease cost;
- (e) equipment purchased;
- (f) media, workshops, conferences and meetings; and
- (g) travel expenses.

3.2. For purposes of this paragraph 3: (i) "staff costs (excluding short term consultants and temporaries)" includes salaries, benefits and the Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures; and (ii) "short term consultants and temporaries" includes fees and the Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures.

3.3 The "Indirect Rate" means the indirect rate, defined as a percentage of personnel costs and available at the *Development Partner Center* website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.

3.4. For Recipient-executed activities, the Trust Fund funds may be used to finance eligible expenditures in accordance with the Bank's applicable policies and procedures.

4. **Taxes**

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank's applicable policies and procedures.

5. **Indicative Results Framework**

5.1 An indicative Results Framework for the activities financed by the Trust Fund prepared by the Bank (the "Results Framework"), in consultation with the Donors, shall be available at the *Development Partner Center* website. Such Results Framework, may be revised by the Bank from time to time, in consultation with the Donors, and shall be used for monitoring and evaluation purposes only.

6. **Indicative Budget**

6.1 The Bank shall provide indicative budget information for the Trust Fund at the *Development Partner Center* website, which may be updated periodically by the Bank in consultation with the Donors. Such budget information is for informational purposes only.

### **Standard Provisions**

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

#### **1. Administration of the Contributions**

1.1. The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement, including its annexes, and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. Each Donor's Contribution (collectively, the "Contributions") shall be administered in accordance with the Bank's applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank's obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

#### **2. Management of the Contributions**

2.1. The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2. The currency in which the funds in the Trust Fund shall be held is United States Dollars (the "Holding Currency").

2.3. Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4. The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5. The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank's applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.

### **3. Accounting and Financial Reporting**

3.1. The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

3.2. The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the *Development Partner Center* website which will be updated quarterly. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donors via the *Development Partner Center* website.

3.3. The Bank shall provide to the Donors via the Development Partner Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management report together with an audit opinion from the Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank's external auditor's opinion thereon. The cost of the single audit shall be borne by the Bank.

3.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank's external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.

3.5. The Bank shall make available to the Donors copies of all financial statements and auditors' reports received by the Bank from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the Bank's Access to Information Policy.

### **4. Progress Reporting; Review or Evaluation of Activities; Financial Management**

4.1. The Bank shall provide the Donors with semi-annual written progress reports by March 31 and September 30. The progress reports shall be provided with reference to the results framework agreed by the Bank and the Donors, as such Results Framework may be reviewed by the Parties from time to time. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall provide to the Donors with a final narrative progress report for the Trust Fund.

4.2. Any Donor may review or evaluate activities financed by the Trust Fund at any time up to closure of the Trust Fund. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank's applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

4.3. The Bank shall, consistent with its policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of the Trust Fund funds, and include provisions in its agreements with Recipients to give full effect to the relevant Bank guidelines on fraud and corruption.



4.4. In the event that the Bank determines that there are credible and material allegations of fraud, corruption, collusion or coercion in relation to Recipient-executed and/or Bank-executed activities financed by the Trust Fund that result in the Bank opening an investigation into such allegations (an “Investigation”), the Bank shall, in accordance with its applicable policies and procedures:

- (i) take timely and appropriate action with respect to such allegations and, where relevant, seek appropriate redress, including potential sanctions;
- (ii) as soon as practicable, inform the Donors of the outcome of the Investigation, provided that the Donors agree to keep such information confidential pursuant to paragraph 6.3 of Annex 2, unless such information is already publicly available;
- (iii) on a case by case basis, decide whether to share information with Donors on an active Investigation, and provided that the Donors agree to keep such information confidential pursuant to paragraph 6.3 of Annex 2;
- (iv) take all necessary actions to recover funds that are the subject of an Investigation where the Bank has determined it as appropriate; and
- (v) to the extent that any funds are refunded to the Trust Fund following an Investigation, the Bank shall use such funds for the same purposes as the Contributions, unless otherwise agreed between the Bank and each Donor.

## **5. Disbursement; Cancellation; Withholding of Payments**

5.1. It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2024 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2. Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro-rata share in the Holding Currency as specified in paragraph 2.2 of this Annex 2; unless otherwise agreed between the Bank and the Donor.

5.3. If in the reasonable opinion of a Donor, the Bank has failed to comply to a material extent with its obligations under this Administration Agreement, the Donor and the Bank agree to discuss the non-compliance with a view to resolving the matter. If the Bank and the Donor fail to agree on the measures to be taken or the Bank fails to take relevant measures as may be agreed between the Donor and the Bank, the Donor may, upon thirty (30) days prior written notice, withhold all or any portion of an Installment that has not yet been disbursed to the Bank, until such time as the measures have been taken.

## **6. Disclosure; Visibility**

6.1. The Bank and the Donors agree that the Administration Agreements will be made publicly available and that any related information on this Trust Fund in the Bank's and the Donor's possession may be publicly disclosed in accordance with (i) the Bank's policies and procedures with respect to any such information in the Bank's possession; and (ii) the Donors' applicable laws with respect to any such information in the Donors' possession.

6.2. Notwithstanding paragraph 6.1 above, neither the Bank nor any of the Donors shall publicly disclose information in their respective possession related to the Trust Fund that has been indicated or marked in writing by either Party as confidential, unless prior written consent has been obtained from the Party providing the information or the Donors are otherwise obliged to do so under applicable laws with respect to information in their possession.

6.3. Notwithstanding paragraphs 6.1 and 6.2 above, the information provided under paragraphs 4.4 (ii) and 4.4 (iii) shall be subject to the terms of confidentiality accompanying such information, and the Donors shall not disclose such information outside the office to which the information is provided, unless: (i) prior written consent has been obtained from the Bank; or (ii) the Donors are obliged to do so in accordance with applicable laws, in which case the Donors will notify the Bank accordingly prior to such disclosure. If a Donor is not able to commit to keep such information confidential in accordance with its applicable laws, then the Donor shall inform the Bank accordingly.

6.4. Where appropriate to do so, the Bank will acknowledge, the Donors' contributions in references made by the Bank with respect to the Trust Fund in publications, press releases or other similar written materials.

## **7. Dispute Resolution; Limitation on Donor Liability**

7.1. The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

7.2. In providing funds under this Administration Agreement, the Donors do not accept any responsibility or liability towards any third parties including any claims, debts, demands, damage or loss as a result of the implementation of the activities under the Trust Fund.

## **8. Grants to Recipients**

8.1. The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the "Grant Agreements") with recipients (the "Recipients") consistent with the purposes of this Administration Agreement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Agreements between the Bank and the Donors.

8.2. The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

8.3. The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.

## **9. Trust Fund Fee**

9.1. The Bank shall calculate a fee each time funds (the “Grant Amount”) from the Trust Fund become committed under a Grant Agreement. Such commitment shall occur when such Grant Agreement is fully countersigned (the “Calculation Date”). The fee so calculated by the Bank shall be based on the cumulative total of funds from the Trust Fund committed under all Grant Agreements that have been fully countersigned on or prior to the Calculation Date (the “Cumulative Grant Total”). The calculated fee shall depend on where the Cumulative Grant Total stands as the Grant Amount is added and shall be determined in accordance with the following schedule:

- (i) 5% of any portion of the Grant Amount that results in a Cumulative Grant Total below or equal to US\$ 50 million or equivalent; plus
- (ii) 4% of any portion of the Grant Amount that results in a Cumulative Grant Total above US\$ 50 million or equivalent and below or equal to US\$ 500 million or equivalent; plus
- (iii) 3% of any portion of the Grant Amount that results in a Cumulative Grant Total above US\$ 500 million or equivalent and below or equal to US\$ 1 billion or equivalent; plus
- (iv) 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US\$ 1 billion or equivalent.

9.2. Following each Calculation Date, the Bank shall deduct from the Trust Fund, and retain for its own account, the fee as set forth above. Grant Amounts may not exceed the balance of uncommitted funds in the Trust Fund net of the related fee.

**Governance**

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

The Trust Fund is governed by the terms of this Administration Agreement and the CGAP charter which was adopted on May 14, 2014, as such charter may be amended from time to time in accordance with its terms (the “CGAP Charter”). The current charter for CGAP is provided as Attachment 1 to this Annex 3 for informational purposes only. Any amendments to the CGAP Charter, made in accordance with its terms, will become applicable to this Administration Agreement as such amendments take effect without further need to amend this Administration Agreement; provided that, in the event of any conflict with other parts of Administration Agreement, the terms of this Administration Agreement shall prevail.

**CGAP Charter**  
**Adopted on May 14, 2014 and revised on June 1, 2018**  
*(provided for informational purposes only)*

**INTRODUCTION**

1. The Consultative Group to Assist the Poor (CGAP) is a global partnership of organizations whose mission is to advance financial inclusion for the poor. CGAP develops innovative solutions to address barriers to financial inclusion through practical research and active engagement with financial service providers, policy makers, and funders. CGAP is housed in the World Bank and is funded through member contributions to trust funds administered by the World Bank, as CGAP Trustee.
2. CGAP’s governance structure comprises a Council of Governors, an Executive Committee, and an Operational Team.

**CGAP COUNCIL OF GOVERNORS**

3. The Council of Governors (“CG”) is CGAP’s highest governing body. The CG is chaired by the World Bank and meets in person at least once per year as part of the “CGAP Annual Meeting”. The CGAP Annual Meeting is the venue for discussion of CG business matters, and for exchange on developments and key challenges related to CGAP’s strategic priorities.

**CG MEMBERSHIP**

4. Membership in the CG is open to organizations that support CGAP’s mission to advance financial inclusion. Organizations may become CG members by contributing unrestricted funding to CGAP trust funds that support the implementation of the applicable strategic framework (“Core Funding”). On an exceptional basis and subject to the approval of the CG:
  - (a) CG members that express their intention to contribute Core Funding may remain CG members provided their contribution is made effective within a reasonable period.
  - (b) A government organization providing Core Funding can form a consortium (“Consortium”) with other national organizations supported by the same government, in which case the Consortium will be the CG member.
5. Each CG member appoints a representative to the CG (“CGAP Focal Point”) and confirms, on an annual basis or as needed in case of changes, to the Operational Team the name and contact information of its CGAP Focal Point.
6. CG members not meeting the requirements of paragraph 4 are expected to resign by way of communication to the Executive Committee (described below).

## ***ROLES AND RESPONSIBILITIES***

7. The CG approves:
  - (a) CGAP strategic frameworks.
  - (b) Operational Team annual work plans and budgets.
  - (c) CG members.
  - (d) Changes to the Executive Committee (described below) constituency number and composition.
  - (e) At-Large Executive Committee members.
  - (f) Minutes of the CGAP Annual Meeting.
  - (g) “Targeted Funding” (described below) from CG members already meeting the Core Funding membership requirement.
  - (h) Amendments to this Charter, subject to provisions set out in section “Other”.
  
8. The CG:
  - (a) Participates in the recruitment of the Chief Executive Officer (described below) by providing inputs to the World Bank through the Executive Committee Chair (described below) on the terms of reference for the Chief Executive Officer position and providing feedback on the shortlist of candidates and final candidates.
  - (b) Provides inputs to the Operational Team on annual work plans and budgets, including on opening and closing of offices.

## **DECISION-MAKING**

9. Documents and other decision materials for CG approval are prepared by the Operational Team. The CG endeavors to make all decisions by consensus. If all practical efforts made do not lead to consensus, the CG Chair may call for a vote. Decisions put to a vote are made on the basis of a simple majority of the full CG, provided that such decisions; (i) do not conflict with terms of the administration agreements between CG members and the World Bank as trustee of CGAP trust funds; (ii) must be made with the agreement of the World Bank to the extent they relate to the roles and responsibilities performed by the World Bank; and (iii) do not conflict with the policies and procedures of any CG member organization. Each CG member has one vote in decisions made by the CG. The member organizations of a Consortium share one vote.

10. Decisions can be made both in person, including by video or audio, at the CGAP Annual Meeting or other CG meeting, or electronically on a non-objection basis. If a CG member is unable to send a representative to a meeting at which a decision is being considered for approval, that CG member may provide inputs, including a vote if applicable, electronically or by telephone at the time of the meeting. The Operational Team will make arrangements for such inputs and/or votes to be reflected in the final decision.

## EXECUTIVE COMMITTEE

11. The Executive Committee (ExCom) advises, supports the work of, and is accountable to the CG. It serves as the communications link between CG members and the Operational Team.
12. The ExCom meets in person at least twice per year, once in conjunction with the CGAP Annual Meeting. The ExCom Chair may call additional meetings, including in-person or by video or audio, as necessary. All ExCom members are eligible to vote on ExCom matters.
13. ExCom members will not be compensated for their time, but costs associated with At-Large ExCom member attendance at ExCom, CG meetings and other meetings (travel, hotel, per diem) will be covered by CGAP trust fund resources allocated for that purpose.

## MEMBERSHIP

14. **Composition.** The ExCom has one representative for each constituency (see para 15 below); four At-Large representatives selected as individuals based on technical knowledge and leadership in CGAP strategic priorities; one representative of the World Bank as Trustee; and the Chief Executive Officer as ex-officio. All ExCom members are expected to be recognized experts in the area of financial inclusion and to act in a manner consistent with CGAP's mission.
15. **Constituency Representation.** CG members are represented on the ExCom according to constituencies. There are five constituencies based on the organization type to which CG members are assigned: two for bilateral donor organizations, one for development finance institutions, one for foundations and one for multilateral organizations. The number and composition of constituencies may change from time to time reflecting changes in CG membership. Individual member organizations of a Consortium are assigned to a constituency based on their organization type. No more than one member organization of a given Consortium may serve on the ExCom at any given time.
16. **Constituency Representative Selection:** ExCom members representing constituencies are selected from among members of the given constituency, through a nomination and election process initiated by the ExCom Chair and supported by the Operational Team. Decisions on ExCom members are by consensus if possible, and if not, by simple majority vote of the full constituency.

17. **At-Large Member Selection:** At-Large members are elected by the CG. The process for nominating candidates for At-Large membership is initiated and led by a nomination committee comprising the ExCom Chair and three to five CG members selected by the ExCom Chair in consultation with the full ExCom. The nomination committee undertakes broad consultation with the CG and industry experts and solicits names of potential candidates. The nomination committee conducts due diligence on the most promising candidates and nominates to the CG one candidate per open At-Large ExCom seat.
18. **Member Terms:** ExCom member terms are three years beginning on July 1 following selection. All ExCom members are eligible to serve a succeeding two-year term. Elected ExCom members must be re-elected to such succeeding term. In exceptional circumstances, the CG may approve an extension of an ExCom member's term for up to one additional year. If an elected ExCom member is unable to serve a full term, the ExCom Chair will initiate the process of selection of that member's successor. The term of the newly selected ExCom member will be the period from the date of selection to the end of the term of their predecessor plus three years starting July 1 after their selection. ExCom membership is not transferrable.
19. ExCom members are expected to be willing and able to serve their applicable term and to dedicate sufficient time to fulfil ExCom roles and responsibilities.

## **ROLES AND RESPONSIBILITIES**

20. The ExCom provides recommendations to the CG for approval of:
  - (a) CG members.
  - (b) Changes to the ExCom constituency composition.
  - (c) At-Large ExCom member selection.
  - (d) Targeted Funding from members already meeting the Core Funding membership requirement.
  - (e) Amendments to this Charter.
21. The ExCom:
  - (a) Provides strategic guidance to the CG, the CEO and the Operational Team on strategic frameworks and Operational Team annual work plans and budgets.
  - (b) Reviews the Operational Team's delivery of the approved annual work plan and budget.
  - (c) Reviews implementation of the results framework for the applicable five-year strategy.
  - (d) Commissions a mid-term evaluation of CGAP's performance against CGAP's applicable five-year strategy and other external evaluations as appropriate.
  - (e) Provides inputs to the World Bank on the performance review of the CEO.
  - (f) Undertakes other tasks as requested by the CG.



## **DECISION-MAKING**

22. ExCom members representing constituencies consult with their constituency members on matters requiring CG decision. The ExCom endeavors to make all decisions by consensus. If all practical efforts made do not lead to consensus, the ExCom Chair may call for a vote. Decisions put to a vote can be made on the basis of a simple majority of the full ExCom. Each ExCom member has one vote on decisions made by the ExCom. In the case of a tie vote, the vote of the ExCom Chair shall prevail.
23. Decisions can be made both in person at ExCom meetings, including by video or audio, or electronically on a non-objection basis. If an ExCom member is unable to attend a meeting at which a decision is being considered for approval, that member may provide inputs, including a vote if applicable, electronically or by telephone at the time of the meeting. The Operational Team will make arrangements for such inputs and/or votes to be reflected in the final decision.

## **EXCOM CHAIR**

24. The ExCom Chair is selected by, and from among, its members. The ExCom Chair facilitates fulfilment by ExCom of its roles and responsibilities.

## **Roles and Responsibilities**

25. The ExCom Chair:
  - (a) Convenes and chairs ExCom Meetings.
  - (b) Represents the ExCom at the CGAP Annual Meeting, issuing notices and updates to the CG as necessary.
  - (c) Determines agenda for ExCom meeting with support from the Operational Team.
  - (d) Leads ExCom member selection processes with the support from the Operational Team.
  - (e) Liaises with the World Bank, on behalf of the ExCom and CG, on the recruitment of the CEO.
  - (f) Coordinates on behalf of the ExCom and the CG, input to the World Bank on the annual performance review of the CEO.

## **OPERATIONAL TEAM**

26. CGAP's Operational Team is responsible for preparation and implementation of approved strategies, and approved annual work plan and related budget. Operational Team staff members, including the Chief Executive Officer are staff of the World Bank subject to World Bank's policies and procedures. They are technical and administrative professionals recruited on the basis of

expertise relevant to CGAP. The Operational Team is supervised on a day-to-day basis by the CGAP Chief Executive Officer and is headquartered at the World Bank's offices in Washington, DC. It also has an office at the World Bank's Paris office.

## **ROLES AND RESPONSIBILITIES**

27. The Operational Team prepares all documents and other decision materials for CG approval and implements related CG decisions as appropriate, including:
  - (a) CGAP strategic frameworks.
  - (b) Operational Team annual work plans and budgets.
  - (c) CG members.
  - (d) Changes to the ExCom constituency structure.
  - (e) Selection of At-Large ExCom members.
  - (f) Minutes of the CGAP Annual Meeting.
  - (g) Acceptance of Targeted Funding.
  - (h) Amendments to this Charter.
  
28. The Operational Team:
  - (a) Prepares CGAP's Results Framework.
  - (b) Provides periodic status reports to the CG on implementation of annual work plan and budget and Results Framework.
  - (c) Handles requests for new CG membership.
  - (d) Maintains CG member list and follows-up with CG members on their contributions.
  - (e) Prepares CG member contribution table for review and recommendation by ExCom to the CG for approval of CG members.
  - (f) Provides administrative support to the CG and the ExCom including coordination of in person and virtual meetings, developing agenda for CG and ExCom meetings, handling no-objection and decision-making processes, documenting decisions, maintaining records of CG and ExCom business.
  - (g) Organizes and coordinates meetings and workshops from time to time for members and other participants, to discuss the broader financial inclusion agenda and strategies.
  - (h) Undertakes other tasks as required by the CG and/or the ExCom.

## **CHIEF EXECUTIVE OFFICER**

29. The CEO provides intellectual leadership for CGAP and manages the day-to-day operations of the Operational Team including strategy development, planning and implementation, budget and human resources management and resource mobilization. The CEO is recruited to a Director position within the World Bank, reports to the World Bank and is accountable to the ExCom.
30. Recruitment of the CEO is through a competitive process organized by the World Bank under its policies and procedures, with inputs from the CG as set out in this Charter. The ExCom Chair works closely with the World Bank during the recruitment process and serves as the interlocutor between the CG and the World Bank.
31. The CEO is appointed for a term of four years. Based on performance reviews in accordance with the World Bank's human resource policies and procedures, which shall include inputs from the ExCom Chair representing the ExCom, the CEO's four-year term appointment may be extended for a second four-year term (such extension to be granted no less than six months prior to the end of the initial term). No additional term extension is possible without a new recruitment process.

## **CGAP TRUST FUNDS**

32. The World Bank serves as financial administrator (“Trustee”) of trust funds established by the World Bank to support CGAP activities. CG members contribute Core Funding to CGAP trust funds through administration agreements/arrangements entered into between the World Bank and CG members. Organizations providing Core Funding may also provide funding for specific activities or areas of the applicable strategic framework (“Targeted Funding”) subject to the approval of the CG.
33. The Trustee holds in trust and administers the funds, assets and receipts that constitute the CGAP trust funds in accordance with the terms of the administration agreements/arrangements entered into with the CG members with respect to their contributions.

## **OTHER**

34. Nothing in this Charter shall be considered a waiver of, or impair or limit, any privileges or immunities of any CG members or the Trustee under their respective Articles of Agreement or any applicable law, all of which are expressly reserved.
35. This Charter may be adopted or amended by the CG by consensus. Any amendments to this Charter will become applicable to the administration agreements/arrangements without further need to amend the administration agreements/arrangements, provided that such amendments do not conflict with other terms of the administration agreements/arrangements or World Bank policies and procedures.