



CGAP Charter

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 meetings, 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); three 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.