

Protocol for CGAP Strategic Partners *(Abbreviated external version, to be made publicly available)*

Background

CGAP's mission is to work at the frontier of inclusive finance. CGAP's knowledge enables both public and private stakeholders to scale financial inclusion solutions.

Private sector actors have necessary insight into systemic incentives and barriers to an inclusive financial ecosystem through their ongoing roles in local and global marketplaces. These roles are distinct from the role of public sector actors. In addition, certain private sector players are increasingly pushing at the forefront of innovation and are therefore significant influencers for knowledge dissemination, investment, and practice adoption within their sectors.

As a result, with approval from its Executive Committee, CGAP is welcoming select private sector actors, to be called "**Strategic Partners**", into the CGAP Global Partnership and has created a new, dedicated Private Sector Constituency. These Strategic Partners will contribute their perspectives and experiences while adhering to CGAP's Charter and neutrality (more details below under Governance). Participation of these private sector partners also responds to a call from CGAP members to include more private sector perspectives into the CGAP Global Partnership.

Strategic Partners are distinct from CGAP members. CGAP members belong to the CGAP Trust Fund and are represented through their voice and vote in CGAP's governance, as well as funding. Private sector partners are represented through their voice only, hence they are termed "Strategic Partners" and not "members". The World Bank Fund processes and procedures do not allow private sector entities to fund a World Bank Trust Fund like CGAP, therefore private sector entities are not eligible to become CGAP members. Therefore, private sector participation in CGAP requires a clear and distinct protocol to ensure these conditions are met.

This note describes the protocol for Strategic Partners, including eligibility criteria, due diligence and selection process, governance and communications modalities, and risk management.

Eligibility criteria, Due Diligence, and Selection Process

Eligibility criteria. To be considered for Strategic Partner, a private sector entity must meet the following eligibility criteria:

- It has a strategy in place that promotes responsible and inclusive financial ecosystems that enable a green, resilient, and equitable world for all.
- It is unable to obtain a World Bank "donor code" that enables it to contribute funding to the CGAP Trust Fund. (This includes corporate foundations that do not operate fully independently of their corresponding corporations.)
- It commits to establish a meaningful partnership with CGAP aimed at providing insights emerging from their experience as well as their industry on topics relevant to CGAP's work program, and at supporting the dissemination and scaling of CGAP's insights and knowledge products within their own organization and within their sector more broadly.
- It will identify and confirm representation from a principal contact and at least one, and ideally two, focal points with capacity and know-how to fulfill the commitments above.

Due diligence. Once candidates have been determined to meet the above-mentioned eligibility criteria, CGAP will conduct due diligence using World Bank due diligence searches to establish that the candidates are not on any UN, WB, US, UK, EU and other sanctions or non-compliance lists. This due diligence will also include a generalized web search to check for adverse media coverage.

Selection process. Potential candidates that meet the above criteria and pass the due diligence process will be considered as prospects to be Strategic Partners. Finalists will be discussed with the CGAP Leadership Team. The entities that strictly meet these criteria and are deemed to be desirable partners would be accepted and recommended to the CG/ExCom for Strategic Partners by the CGAP CEO.

Invitation process. Once they have been selected, Strategic Partners are invited and confirmed through an exchange of a welcome email and formal acceptance email between the CGAP CEO to the private sector CEO or delegate. Once confirmed in writing, they become a Strategic Partner. They will be registered as such in the CGAP MIS and tracked consistent with current members.

Governance Modalities

Relationship to CGAP. This form of partnership is a good-faith partnership based on mutual understanding and shared strategic objectives. This form of partnership does not require a formal contract and is not legally binding.

Scope of governance. Strategic Partners become members of the CGAP Global Partnership but will not contribute to, or become, members of the CGAP Trust Fund. As such, they will not have any of the CG's formal roles and responsibilities in CGAP trust fund governance, including approving CGAP Strategic Frameworks, annual workplans and budgets, new CG members, changes to the ExCom, at-large ExCom members, amendments to the Charter, etc. Strategic Partners would be invited to CG meetings but not to the business sessions of the CG meeting where members discuss and approve the annual workplan and budget.

Representation on CGAP's ExCom. As stated above, CGAP has created a new Private Sector Constituency that includes 1) the two current CG private sector members (Mastercard Center for Inclusive Growth and Metlife Foundation) and 2) Strategic Partners. This Constituency is different from other Constituencies in that all the members of this Constituency are private sector entities. Otherwise, the Constituency is governed in the same way as other Constituencies, in that its members would elect from among themselves a "Lead" to represent them on the ExCom, but as only CG members can sit on the ExCom, only the CG members that are private sector entities (currently Mastercard Center for Inclusive Growth and Metlife Foundation) can be elected to represent the Private Sector Constituency on the ExCom. The Private Sector Constituency Lead will convene regular meetings/calls among Constituency members and join ExCom meetings where he/she would represent the voices of Private Sector Constituency members.

Composition. The Private Sector Constituency aims to be a diverse group with representation from all sectors CGAP is currently prioritizing in its strategy. The inaugural group of strategic partners represents: Payments, Insurance, Conventional Banking, and Asset Management. More sectors will be added over time to reflect CGAP's strategic priority areas.

Timing into effect. The ExCom at its June 2024 meeting in London approved the creation of the new Private Sector Constituency. An announcement to this effect will be sent to the CG by ExCom Chair Henri Dommel in August 2024 laying out next steps. The new Private Sector Constituency was created in September 2024 and elected a new Lead and conducted its first meeting in October 2024. The Private Sector Constituency Lead participated in the ExCom meeting in October 2024 for the first time.

By Joining CGAP, Strategic Partners...

- Are expected to convene as a constituency three-times per year, according to CGAP's Charter, with the elected Constituency Lead running these convenings (twice virtually, once in person at the CG meeting)
- Are expected to fulfill their role as defined in the eligibility criteria
- Would be invited to all CGAP events (annual meeting, special events, webinars, etc.)
- Would receive key communications from the CGAP through the year (reader, bulletin)
- Would be invited to comment/provide feedback on CGAP's annual workplan
- Will be supported by the Partnerships Unit, including a cross-CGAP engagement plan
- Will be registered and tracked in the MIS consistent with current members.
- Will NOT participate in the governance component of CG convenings (i.e., business meeting)
- Will NOT be provided log-in credentials to access the CGAP Member Space (reserved for members, according to governance guidance)

Communication

Strategic partners are subject to the following communications guidelines.

One of CGAP's greatest assets is its neutrality and editorial independence. This enables it to function as an effective provider of knowledge and evidence for the entire financial inclusion sector. To preserve this neutrality, CGAP has put in place a rigorous set of principles for how it communicates (and co-brands) with other organizations. These include the following principles:

- Publications and Branding:
 - CGAP does not co-brand publications with individual members or strategic partners. Instead, all our publications include a page with the logos of all members and strategic partners. (CGAP may choose to co-brand with multilateral members on a case-by-case basis because they represent a large group of stakeholders and are also neutral).
 - Co-branding with thought partners (including strategic partners) who are commercial entities can only be done on an exceptional basis at the corporate level – not for specific project outputs – and only when there is a clear strategic value add for CGAP and for the world that could not be achieved in an alternative manner. Such exceptions are rare and are only granted after considered by the leadership of CGAP's operational team.
 - CGAP does not co-brand case-studies with organizations that are the subject of those case studies, nor does it co-brand with organizations it conducts pilots with.
 - CGAP does not include the logos of organizations represented on advisory groups, steering committees, or similar in its publications – regardless of whether they are members, strategic partners, or other entities. Instead, the individual members of these groups are thanked in the acknowledgements section of relevant CGAP publications.
 - CGAP may co-brand with other, non-profit, thought partners where they have contributed a material amount of intellectual property to the development of a publication and were not engaged through a vendor or consultant relationship. The intention to co-brand with such thought partners should be proposed to, and agreed by, CGAP's internal review committee before any work starts on the publication.

- Media:
 - Strategic Partners may publicize the fact they are Strategic Partners of CGAP, but may not speak on behalf of CGAP or any of its Members or Strategic Partners.
 - Strategic Partners will be listed on the 'About' page on CGAP's website, below Members' names and logos. A Strategic Partner's logo will hyperlink back to their own website.

Risk Management

As a global public good, CGAP will carefully manage potential risks brought about by new alliances and relationships. The Partnership Unit will take steps to mitigate these risks by adhering to the above-mentioned due diligence process for potential candidates and by continuously assessing and monitoring situations where potential risks (whether real or perceived) might emerge. In addition, CGAP maintains and regularly updates a Risk Register, which outlines the potential risks faced by CGAP in the evolving landscape in which we operate, the manifestation of these risks, and our mitigation strategies. Mitigating private sector risks would be part of this overall Risk Register.