

**DONOR COMMITTEE
FOR ENTERPRISE DEVELOPMENT**

C H A R T E R

18th June 2015 with Administration Agreement 18th June 2015 as Annex

**DONOR COMMITTEE
FOR ENTERPRISE DEVELOPMENT

CHARTER**

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1. General

1.1 The Donor Committee for Enterprise Development (the "DCED") was organized informally in 1979, when its first members held a meeting convened by the International Bank for Reconstruction and Development ("IBRD"). Until 2005, the Committee was known as the Committee of Donor Agencies for Small Enterprise Development.

2. Objectives

2.1 Sustainable economic development and poverty reduction are driven by a dynamic private sector, and external agencies can most effectively contribute to that dynamism if their efforts are coordinated. In the quest for harmonization and effectiveness, the DCED therefore works on:

- Defining best practice in priority themes in participatory ways;
- Disseminating best practice and successful experiences; and
- Increasing the effectiveness of development practitioners.

This technical focus contributes to realization of the Paris Declaration on Aid Effectiveness, which aims to ensure that donors' actions are harmonized, transparent and collectively effective. The DCED works to achieve these objectives by:

- Responding to members' shared interests and needs to serve their clients and constituents in government, the private sector and civil society in developing countries;
- Developing best practices based on practical experiences gained in the field;
- Including bilateral donors, multi-lateral agencies (development banks, UN agencies and others) and private donor organizations among its membership;
- Serving as a platform where innovative thinking and approaches can be articulated and discussed;
- Providing institutional memory to members and others in the field of private sector development.

2.2 In addition, the DCED, through its meetings and working groups on specific issues, provides opportunities for staff of member agencies to get to know their peers and to expand their networks in a constructive and positive atmosphere.

2.3 The DCED funds its activities through membership fees and other voluntary contributions from its members. The minimum annual membership fee for each donor member is thirty thousand U.S. dollars (US\$30,000) if the agreement for that contribution was signed no later than June 30, 2015, and forty five thousand U.S. dollars (US\$45,000) if the agreement or supplement for that contribution was signed at any time thereafter, and for other members, ten thousand U.S. dollars (US\$10,000). Any member's initial membership fee shall be paid immediately upon acceptance into the membership of the DCED, and then thereafter the annual membership fee shall be paid on or before June 30 in each year for the immediately following period from July 1 to June 30. Membership fees and other contributions to the DCED are deposited into one or several trust funds administered by the International Finance Corporation ("IFC"). Where any member is unable for any reason to participate in the IFC administered trust

fund or trust funds, the Executive Committee may authorize such member to contribute all or part of its membership fee through other avenues such as direct funding for the Secretariat's, or, exceptionally, for other Executive Committee's or Working Group's, activities, or in kind.

2.4 Except for the payment of its annual membership fee, no member shall have any liability for the activities, contractual relationships or communications undertaken by any other party by or on behalf of the DCED or any of its bodies, working groups, or other such entities. Any other documents or information developed and disseminated within the context of the activities of the DCED should be so acknowledged and deemed to be in the public domain.

3. Governance Structure

3.1 The formal bodies of the DCED are the Members' General Assembly, the Executive Committee, the Executive Chairs and the Secretariat. Any national donor agency, the United Nations or any of its specialized agencies, funds or programs, or any international finance institution or private donor organization that is funding enterprise development initiatives can become a member of the DCED after approval by the Members' General Assembly. Pending the approval from the Members' General Assembly, an applying agency or institution may participate in the DCED work as a candidate member, but shall not have the right to vote at the Members' General Assembly.

The Members' General Assembly

3.2 The governing body of the DCED is the Members' General Assembly, which consists of the representatives of the members of the DCED. Each member that is current with its payment of the membership fee in accordance with paragraph 2.3 may appoint one (1) representative to the Members' General Assembly. Each member has one vote, which shall be expressed by its representative. In addition to its representative, each member may send not more than two (2) observers to attend any Members' General Assembly, unless otherwise permitted by the Executive Committee for any specific Members' General Assembly.

The Members' General Assembly:

- Elects the two Executive Chairs from among the members, each for a two-year term; members may be elected to the Executive Chairs for successive two-year terms;
- Elects the three members of the Executive Committee (in addition to the Executive Chairs) from among the members of the DCED for a two-year term; members may be elected to the Executive Committee for successive two-year terms;
- Decides on applications for membership in the DCED submitted by the Executive Committee;
- Defines and directs the strategy of the DCED;
- Forms Working Groups and endorses their work programs;

- Approves the annual work program and the budget of the DCED and the annual budget of Working Groups;
- Reviews the DCED's expenditures and the audited accounts of the DCED maintained by the Secretariat;
- Reviews the DCED's activities in relation to its objectives at agreed intervals; and
- Approves amendments to the Charter.

The Members' General Assembly may temporarily or permanently delegate to the Executive Committee any of its powers, except the powers to (i) approve any amendment to the Charter, (ii) elect the Executive Chairs and the other members of the Executive Committee, and (iii) define and direct the strategy of the DCED.

3.3 The Members' General Assembly ordinarily meets annually. Extraordinary meetings of the Members' General Assembly may be convened at the request of any member submitted to the Executive Chairs. Decisions of the Members' General Assembly are taken by consensus, or, if consensus cannot be achieved, by a favorable vote of a simple majority of all the members' representatives, except for amendments to the Charter. Amendments to the Charter require a favorable vote of at least two thirds (2/3) of all of the representatives of the members. Decisions may be taken at meetings face-to-face or by video- or telephone-conference, or by e-mail exchanges between the Secretariat or the Executive Chairs and the members, or any combination of these methods. The DCED Secretariat will circulate to the representatives of all the members a list of the points for decision by the Members' General Assembly and relevant background material, along with a list of current voting members, in sufficient time to provide reasonable advance notice to the members under the particular circumstances.

The Executive Committee

3.4 The Executive Committee is composed of two Executive Chairs and the other three members elected to the Executive Committee by the Members' General Assembly. The Executive Committee ordinarily meets quarterly or at the request of any member of the Executive Committee submitted to the Executive Chairs. Unless specified otherwise in this Charter, decisions of the Executive Committee are taken by consensus or, if consensus cannot be achieved, by a majority vote of all the members of the Executive Committee. Each member of the Executive Committee has one (1) vote. Decisions may be taken at meetings face-to-face or by video- or telephone-conference, or by e-mail circulated to the members, or any combination of these methods.

3.5 The Executive Committee:

- Reviews and approves for submission to the Members' General Assembly any application from an agency or entity wishing to become a member of the DCED;

- Oversees the work of Working Groups composed of at least four selected member of the DCED, one of which shall chair, or two of which shall co-chair, the Working Group, including approval of available funds in excess of those approved as part of the Annual Budget for use by any Working Group as needed between two (2) meetings of the Members' General Assembly, provided such allocation does not to exceed US\$20,000 in each case or such other amount as previously decided by simple majority decision of the General Assembly;
- Supports and provides guidance to the Secretariat in the implementation of the work program of the DCED; and
- Takes all decisions that are not reserved to the Members' General Assembly.

The Executive Chairs

3.6 The two Executive Chairs:

- Convene and chair the meetings of the Members' General Assembly;
- Provide strategic and policy overview for the DCED; and
- Represent the DCED at various meetings with government representatives or other international or business organizations.

The Secretariat

3.7 The DCED selects through international competitive bidding a firm or group of individuals to serve as the DCED Secretariat. The selection shall be carried out by the Executive Committee and submitted to the approval of the Members' General Assembly. The terms of selection of any firm or individual independent contractors shall be done by international competition, pursuant to the applicable rules of the IFC, or any other host institution of the DCED authorized by the Members' General Assembly to enter into the contract or contracts engaging the firm or individuals for the purposes of the DCED.

The Secretariat:

- Solicits and reviews proposals for the DCED's work program;
- Prepares a draft annual work program and budget for approval by the Executive Committee;
- Manages and monitors the implementation of the work program, including the supporting activities of Working Groups as needed;
- Reports to the Executive Committee at agreed intervals; and

- Keeps records of all the funds and assets made available for the purposes of the DCED, disburses the funds made available to it and prepares financial reports in accordance with this Charter and with the principles and guidelines and instructions stipulated by the Executive Committee.

4. Funding

4.1 The DCED is funded primarily by donor contributions, including membership fees and donations. Donations may be accepted from governments, bilateral donors, and international financial institutions and the United Nations and its specialized agencies, funds and programs. Donations from non-governmental organizations and private bodies or individuals may also be accepted, subject to the approval of the Executive Committee. Donations to the DCED are normally received in cash. The Executive Committee may exceptionally authorize in-kind donations.

4.2 A trust fund or funds, as appropriate, is established for the purposes of receiving membership fees and donations. Any trust fund so established shall be administered by IFC in accordance with IFC's rules and policies, and the terms and conditions of the Administration Agreement between each member, or donor, and the IFC. The Administration Agreement between each member, or donor, and the IFC shall be consistent in form and substance with the draft Agreement annexed to this Charter unless other terms are justified by the circumstances and notified to the Executive Committee. IFC will receive administration fees in accordance with the terms of the Administration Agreement. Any increase of the administration fee in excess of the percentage stipulated in the attached draft Agreement must be approved by the Executive Committee.

5. Evaluation, Reporting and Auditing Arrangements

5.1 The Secretariat will prepare under the direction of the Executive Committee, and the Executive Committee will submit to the members valuation and reporting and auditing arrangements as outlined below:

- Quarterly financial statements (unaudited);
- Semi-annual progress reports on the status of approved activities; and
- An annual report on all activities and summary unaudited financial statements, no later than six months following the end of the calendar year.

5.2 If the Members' General Assembly determines that any of the trust funds administered by IFC for the purposes of the DCED requires an audit to be performed by the external auditors of IFC, the Executive Committee shall consult with IFC in order to determine the most appropriate type of audit required in the circumstances. The costs of such an audit shall be paid out of the

funds available for the DCED activities or otherwise covered as determined by the Executive Committee in consultation with IFC.

6. Entry Into Force and Duration

6.1 This Charter entered into force upon its adoption by a unanimous vote of the agencies participating at the DCED Annual Meeting, in Montreux, Switzerland, on September 12, 2006.

6.2 This Charter shall remain in force until terminated by the Members' General Assembly pursuant to a majority vote of at least two thirds (2/3) of all of the representatives of the members.

DONOR COMMITTEE FOR ENTERPRISE DEVELOPMENT (DCED)

Annex: Standard Administration Agreement

for Contributions to the DCED Trust Fund

The following standard agreement shall be used between IFC and Donors providing contributions to the DCED Trust Fund ("the Trust Fund").

TF070481

**ADMINISTRATION AGREEMENT
BETWEEN
[DONOR]
AND
INTERNATIONAL FINANCE CORPORATION
FOR
THE FINANCIAL SUPPORT OF
THE ACTIVITIES UNDERTAKEN BY
THE DONOR COMMITTEE FOR ENTERPRISE DEVELOPMENT
(DCED)**

Agreement dated _____, 201_ between [DONOR] ("Donor") and the International Finance Corporation ("IFC"), an international organization established by Articles of Agreement among its member countries (including [*name of Donor's country*]) and a Member of the World Bank Group¹ ("WBG"), to provide for the creation of a donors' trust fund (the "Donors' Trust Fund") to finance the activities undertaken by the Donor Committee for Enterprise Development (the "DCED") as described in the Charter of the DCED (the "Charter") as amended from time to time (a copy of which has been provided to the Donor). In addition to the Donor, other donors are expected to contribute funds (collectively the "Donors' Funds") to the Donors' Trust Fund.

WHEREAS:

(A) The DCED was originally informally organized by a number of multilateral and bilateral development organizations including the International Bank for Reconstruction and Development ("IBRD"). On September 12, 2006, the various donor agencies composing the DCED adopted the Charter. IFC succeeded to IBRD as the organization in charge of implementing the DCED. In the Annual Meetings of the members held on November 18-19, 2009, and on June 17-18 June, 2015, the members of the DCED amended the Charter for the DCED adopting the revised Charter dated June 18, 2015. The activities of the DCED are governed by the Charter. However, this Administration Agreement shall be governed solely by the terms and conditions as contained herein.

¹ The World Bank Group consists of the International Finance Corporation (IFC), the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID).

(B) IFC is prepared to utilize funds provided by the Donor for the sole purpose of financing the activities of the DCED pursuant to its Charter. IFC shall utilize such funds in accordance with IFC's standard policies and procedures and in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, the parties hereto agree as follows:

1 The Grant

1.1 The contribution of the Donor under this Agreement is [-----U.S. dollars (US\$-----)]²

1.2 The Donor may subsequently contribute additional funding support for the activities of the DCED, which shall be governed in all respects by this Agreement.

1.3 The initial contribution and any subsequent funding from the Donor under this Agreement together with any income from investment and reinvestment shall be referred to as the "Grant Funds" in this Agreement.

2 Activities of the DCED

2.1 The Donors' Funds shall be utilized by IFC to meet the costs of the DCED in accordance with IFC's applicable rules and procedures. Such costs shall include consultant fees, equipment, workshops/training, office space and furniture, travel and communications, public relations and business development expenses, termination costs as specified in paragraphs 5.2, any other costs incurred in the execution of the activities of the DCED pursuant to its Charter, and the cost incurred by IFC to administer this trust fund.

3 Disbursement and Deposit of Funds

3.1 After the necessary fiscal procedures of the Donor have been completed, the Donor shall deposit the initial contribution of [] [upon signature of this agreement] into such account with such bank designated in the corresponding disbursement request submitted by IFC.

When making deposits, the Donor shall instruct their bank to include in their payment details information (remittance advice) field of their SWIFT payment message, information indicating:

- a. The amount paid,
- b. That the payment is from the Donor for DCED, Donors' Trust Fund number TF070481, and

² The minimum annual contribution is US\$45,000 for each member (US\$10,000 for U.N. Agencies). Payment for multiple years is encouraged. Annual contributions that do not meet the relevant minimum must be approved by the Executive Committee of the DCED pursuant to Section 2.3 of the Charter.
THIS FOOTNOTE IS TO HELP DETERMINE CORRECT AMOUNT OF CONTRIBUTION. IT MUST BE DELETED FROM THE FINAL COPY OF THE AGREEMENT

c. The date of the deposit.

In addition, the Donor shall send a copy of its payment request to:

- the IBRD's Trust Funds Division (by Fax to +1-202-614-1315 or by email to tfremitadvice@worldbank.org); and
- IFC's Task Manager (by Fax to +1- 202-974-4344); and
- the DCED Secretariat (by email to coordinator@enterprise-development.org)

3.2 The Grant Funds may be converted into United States Dollars upon receipt if funds are received in a currency other than United States Dollars. All financial reports shall be prepared in United States Dollars. All Donors' Funds may be freely exchanged into other currencies as may facilitate their disbursement by IFC.

3.3 The Donors' Funds shall be accounted for separately as a single trust fund. IFC shall have the right to commingle the funds in the Donors' Trust Fund with other trust funds assets maintained by IBRD and IFC, provided however that all such assets shall be kept separate and apart from those of IBRD and IFC.

3.4 IFC may establish sub-accounts within the Donors' Trust Fund for each activity of the DCED. IFC shall allocate the Donors' Funds to these sub-accounts as needed from time to time for the relevant activity of the DCED.

3.5 At the time of receipt of each disbursement from the Donor, it is agreed that IFC shall deduct three and one half of one percent (3.5%) of the amount received to help defray IFC's internal administrative costs of accounting, internal auditing, human resources management, legal, budgeting, control and other administrative expenses calculated in accordance with normal IFC practices.

3.6 The IBRD, on behalf of IFC, may invest and reinvest the Donors' Funds pending their application. The income from such investment and reinvestment shall be accounted for and credited to the Donors' Trust Fund for use for the sole purposes of financing the activities of the DCED.

4 General Provisions, Reporting and Auditing

4.1 IFC shall exercise the same care in the discharge of its function under this Agreement as it exercises with respect to the administration and management of its own affairs and shall have no further liability to the Donor under this Agreement.

4.2 To the extent necessary, IFC may use any part of the Grant Funds to (i) indemnify and hold IFC harmless against, and pay or otherwise reimburse IFC for, any losses, claims, damages or liabilities that IFC and/or any of its employees, officers, or agents may incur or become subject to, including without limitation as a result of any claim, suit or action, on whatever

grounds, brought against any of them by any third party in connection with the implementation of the DCED activities or the reliance by any person on anything done or not done by IFC, and (ii) reimburse IFC for any expenses, including any legal expenses, reasonably incurred by IFC in connection therewith; provided, however, that the foregoing rights to indemnity and reimbursement shall not apply to the extent that a court of competent jurisdiction or a competent arbitral tribunal, as the case may be determines in a final judgment or decision that any such loss, claim, damage or liability results from the willful misconduct or gross negligence of IFC.

4.3 IFC shall have sole responsibility for the supervision and execution of the Trust Fund and shall report semi-annually to the Donor on the progress of the activities of the DCED. These reports shall include financial commitments made in respect of the activities and the status of the implementation of the activities. The format and content of financial reports shall be consistent with IFC's accounting system.

4.4 IBRD, on behalf of IFC, will maintain separate records and ledger accounts in respect of the Grant Funds in the Donors' Trust Fund and disbursements made therefrom. IBRD, on behalf of IFC, will furnish to the Donor, current financial information relating to receipts, disbursements and fund balance in the holding currency of the Donors' Trust Fund with respect to the Grant funds via the World Bank's Trust Funds Donor Center secure website (<https://clientconnection.worldbank.org>). 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 of the trust fund with respect to the Contribution funds will be made available to the Donor via the World Bank's Trust Funds Donor Center secure website. IBRD, on behalf of IFC, will provide to the Donor, within six (6) months following the end of each IBRD's fiscal year, the annual single audit report, comprising (1) a management assertion together with an attestation from World Bank Group's external auditors concerning the adequacy of internal control over cash-based financial reporting for trust funds as a whole; and (2) a combined financial statement for all cash-based trust funds together with the external auditor's opinion thereon. The cost of the single audit shall be borne by the World Bank Group. If the Donor wishes to request, on an exceptional basis, a financial statement audit by World Bank Group's external auditors of a Donors' Trust Fund, the Donor and IFC will first consult as to whether such an external audit is necessary. IFC and the Donor will agree on the most appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, IFC will arrange for such external audit. The costs of any such audit, including the internal costs of IFC with respect to such audit, will be paid by the Donor.

5 Duration and Termination

5.1 This Agreement shall become effective as from the date of signing and, subject to paragraph 5.2 below, shall continue in effect until all the funds in the Donors' Trust Fund shall have been utilized by IFC for the DCED and all resulting obligations have been fulfilled in accordance with this Agreement, unless otherwise agreed between the Donor and IFC.

5.2 Either party may at any time, by ninety (90) days' notice in writing, terminate this Agreement in whole or cancel any portion of the undisbursed and uncommitted Grant Funds, in

which event IFC shall have no claim against the Donor by reason of such termination or cancellation other than payment of expenses actually incurred or committed under this Agreement prior to the date of such termination or cancellation, less any sums previously paid on account thereof. Such expenses shall include, but not necessarily be limited to, all shutdown costs, final report and audit costs resulting from any audit as contemplated by paragraph 4.4, payout of staff and consultant contractual salaries and benefits, and repayment of bridge financing that may have been advanced to the DCED by the WBG (collectively, "Termination Costs"). IFC may deduct these Termination Costs from the Grant Funds. Such termination or cancellation shall not affect any agreements entered into for the purposes of the DCED between IFC and staff and consultants, other persons or third parties prior to IFC's giving or receiving notice of termination or cancellation, and where such agreements cannot be cancelled IFC shall be entitled to continue to make disbursements and receive further disbursements from the Donor in respect of such agreements as if this Agreement had not been so terminated or the Grant Funds or any portion of them not cancelled, provided that IFC has fulfilled all its duties, responsibilities and obligations to the date of termination, or cancellation, as specified in this Agreement.

5.3 If any portion of the Donors' Funds remains in the Donors' Trust Fund after the termination of the DCED or of this Agreement, IFC and the Donor shall agree on the disposition of these funds. In the event that IFC and the Donor do not reach any agreement on the disposition of any remaining funds, IFC shall return to the Donor any unutilized and uncommitted portion of the Donors' Funds, including any unutilized and uncommitted income derived from investment of the Donors' Funds, as the amount disbursed by the Donor pursuant to this Agreement bears to the total amount of Donors' Funds made available to the DCED, and shall provide a final report to the Donor promptly thereafter. IFC shall have no liability to the Donor under this Agreement except for the return of unutilized and uncommitted funds after application to costs, including Termination Costs, contemplated under this Agreement.

5.4 Following completion or termination of the activities under the DCED, any equipment purchased for the DCED shall be disposed of in accordance with normal IFC procedures.

6 Acknowledgements

6.1 IFC shall acknowledge the Donor's contribution in any reference made by it with respect to the activities of the DCED in publications, speeches, press releases or other similar publications, unless in the opinion of IFC such acknowledgment would not be appropriate under the circumstances, and provided that such lack of acknowledgment would not misrepresent the DCED in any way. The Donor shall be informed of the nature, content and timings of such announcements prior to their occurrence.

7 Other Provisions

7.1 This Agreement may be amended only by written agreement of the parties hereto.

7.2 The Donor and IFC shall seek amicably to settle all differences and disputes arising out of or in connection with the implementation of this Agreement.

7.3 Any notice or request required or permitted to be given under this Agreement shall be in writing and shall be given at each party's address as follows:

For the Donor:

[Name of Donor]
[Address of Donor]
Attention: [_____]
Tel: [_____]
Fax: [_____]

For IFC:

International Finance Corporation
2121 Pennsylvania Avenue N.W.
Washington, DC 20433
U.S.A.
Attention:
Director, Cross Cutting Advisory Department
Tel: +1 202 473 3924
Fax: +1 202 522 3742

IN WITNESS WHEREOF, the authorized representatives of the parties hereto have signed this Agreement.

INTERNATIONAL FINANCE
CORPORATION

[NAME OF THE DONOR]

Name:
Title:

Name:
Title: