

**DONOR COMMITTEE
FOR ENTERPRISE DEVELOPMENT**

C H A R T E R

June 2015

**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 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.

Annex

DONOR COMMITTEE FOR ENTERPRISE DEVELOPMENT (DCED)

Annex: Standard Administration Agreement

Please apply to IFC for the current version of the Standard Administration Agreement.