



## **Joint Communication - 10<sup>th</sup> DFI Meeting on Corporate Governance**

### **“Corporate Governance: Improving Business Cultures for Sustainable Growth”**

On April 6-7, 2016, the 10<sup>th</sup> Meeting of Development Finance Institutions (DFIs) on Corporate Governance (CG) took place in Paris, France, hosted by Proparco, the private sector arm of the Agence Française de Développement. This year’s conference was particularly important both for its diverse and numerous attendance - a total of 110 participants from twenty one different countries – and for the high added value it provided for PROPARCO senior staff, who are now better equipped to implement CG in their daily work.

Four panels were held on the first day of the conference which was open to the wider investment and governance communities. The first explored the intricacies of governance in France and emphasized that the corporate governance codes of conduct promoted by professional associations, though being highly educational and incentive-driven instruments, cannot replace the competence of directors nor their behavioral ethics in everyday boardroom deliberations. The second one, focusing on the corporate governance experience in West Africa, and especially in Ivory Coast and Senegal, emphasized the importance of building a governance culture in family business and supporting them by fair and impartial professional and state institutions.

The third panel on investment funds and governance noted the systematic analysis of several small and large investment funds on investee governance practices and the endorsement impact a fund’s investment has for many of those companies. Finally, a panel on women on boards highlighted that female directors are gradually, yet steadily, rising in number, as they bring unique decision making and consensus building skills as well as a distinct ability to resolve conflicts through discussion, through the recognition of the diversity of people and opinions that make up the modern corporation.

On the second day, participating DFIs reviewed the implementation progress of the Corporate Governance Development Framework (CGDF) and noted significant developments in signatory efforts to operationalize its objectives. Most importantly, a conceptual framework as to what DFIs should consider when nominating directors to investee companies was presented based on the recently concluded Nominee Director Guidebook, which was developed by the Working Group and finalized following a public consultation exercise. Finally, the following priorities were identified and will guide the efforts of the DFI Corporate Governance Working Group (WG) for the 2016/2017 period:

- Exploring an SME version of the CG tools to facilitate smaller investments of smaller DFIs.
- Examining whether smaller regional chapters should be created for Europe, LAC and Africa with the participation of regional DFI’s and larger ones which have a local presence in those regions.
- Opening the Framework Agreement to the wider investment community, building on existing relationships with specialized governance investment funds and global institutional investors with a vested interest in governance issues.
- Upgrading the website into becoming a key reference point for all CGDF-related initiatives and promoting signatory interaction through a dedicated LinkedIn group.

**For more information, please visit our website at: <http://cgdevelopmentframework.com/conferences/10th-conference-paris-france/>**