

RESOLUTION NO. 2009-____
RESOLUTION NO. IDA 2009-____
RESOLUTION NO. IFC 2009-____

Adopted _____, 2009

Standing Committees

WHEREAS, in 1994, the Executive Directors of the International Bank for Reconstruction and Development (the Bank, or IBRD) and the International Development Association (the Association, or IDA) and the Board of Directors of the International Finance Corporation (the Corporation, or IFC) (hereinafter the Boards) decided to consolidate the terms of reference of the standing committees, as well as the guidelines governing appointments to such committees and rules of procedures to be applied by them, as set forth in Resolution Nos. 94-4, IDA 94-1 and IFC No. 94-21, adopted May 31, 1994 (hereinafter the 1994 Resolution);

WHEREAS, since 1994, the Boards adopted certain revisions to the names and terms of reference of standing committees;

WHEREAS, in 2006, the Boards considered the Report of the Committee on Governance and Executive Directors' Administrative Matters on Guidelines for Committee Appointments and decided to implement the recommendations for revision to the 1994 Resolution and to consolidate the previous revisions to the 1994 Resolution; and

WHEREAS the Boards have reviewed the current terms of reference of the Standing Committees of the Boards and have decided to introduce revisions to these terms of reference as set forth below, as well as to consolidate common provisions;

NOW THEREFORE, the Boards hereby resolve:

Standing Committees

1. The Standing Committees of the Boards are established to assist the Boards in the exercise of their powers and responsibilities under the Articles of Agreement of the Bank, the Association and the Corporation, respectively. The Standing Committees may exercise decision-making authority only in respect of committee procedural and administrative matters to the extent provided in paragraph 12(c)(ii) below. In order to preserve the voting and decision-making requirements under the Articles, the Boards do not otherwise delegate legal authority to the Standing Committees.

2. The Standing Committees of the Boards shall consist of the committees listed below, and such other standing committees as the Boards may establish from time to time. Each of the following committees shall consist of eight members and shall function under the terms of reference set out in its respective Annex to this Resolution and the provisions of this Resolution:

- (a) the Audit Committee (Annex A);
- (b) the Budget Committee (Annex B);
- (c) the Committee on Development Effectiveness (CODE) (Annex C);

- (d) the Committee on Governance and Executive Directors' Administrative Matters (COGAM) (Annex D); and
- (e) the Human Resources Committee (Annex E).

The members of each Standing Committee shall be appointed in accordance with the guidelines set out in paragraph 11 of this Resolution.

3. The Ethics Committee established and maintained by the Boards under the Code of Conduct for Board Officials (the Code) shall function under the provisions of the Code. The Ethics Committee shall not be considered a Standing Committee of the Boards for purposes of this Resolution.

4. Each of the Standing Committees may exercise its functions with respect to the Multilateral Investment Guarantee Agency (MIGA) only to the extent separately authorized by the MIGA Board of Directors.

General Provisions

5. Each Standing Committee shall meet regularly as needed and fulfill its responsibilities by carrying out the activities enumerated in its respective terms of reference and such other activities as duly requested by any of the Boards.

6. Each Standing Committee shall report regularly to the Boards regarding the execution of its duties and responsibilities.

7. The Chairman of each Standing Committee shall consult with the Chairmen of other Standing Committees when matters falling within the responsibilities of two or more Standing Committees are taken up. Each Standing Committee may conduct joint meetings with other Standing Committees on matters of overlapping responsibilities. If there is a difference of view with respect to such matters or joint meetings among the Standing Committees, the Chairmen concerned shall seek the assistance of the Dean of the Board to reach a resolution (in consultation with the Chairman of the Boards); failing that, the matter shall be brought to the Board or Boards concerned for resolution.

8. Each Standing Committee may request, through the relevant manager, that any member of staff or management of the Bank, the Association and the Corporation whose responsibilities fall within the responsibilities of the Standing Committee attend a meeting of the Standing Committee or meet with any members of, or advisors to, the Standing Committee.

9. Each Standing Committee may propose to the Board or Boards for approval the establishment of formal or informal subcommittees to assist in carrying out its work. When establishing a subcommittee, the Board(s) shall decide on the membership, terms of reference and working procedures of the subcommittee, following the procedural provisions applicable to Standing Committees set out in paragraph 12 below.

10. Each Standing Committee may, under exceptional circumstances, obtain advice and assistance from outside legal, accounting or other advisors as deemed appropriate to perform its duties and responsibilities, giving reasonable advance notice to the Boards and the President of its intention to do so. Appropriate funding from the Board's budget, as determined by the Board, shall be made available for compensation to such advisors.

Appointments to Standing Committees

11. For appointments to Standing Committees, the following general guidelines shall be applied:

- (a) Members of both existing and new Standing Committees shall be appointed by the Executive Directors on the nomination of the Chairman of the Board following informal consultation with the Executive Directors, and in particular with the Dean, by the Chairman or on his/her behalf by the Vice President and Corporate Secretary.
- (b) Membership of committees should reflect: (i) the economic and geographic diversity of the Bank's member countries; and (ii) balanced representation between borrowing and non-borrowing member countries.
- (c) Appointments should be made at the beginning of the two-year terms of elected Executive Directors, the appointments to be made following each regular election. The term of such committee appointments shall also be two years.
- (d) Members of committees should normally serve a full term. When, in exceptional circumstances, a change in committee membership is required, appointments should also be governed by these guidelines.
- (e) Each constituency represented at the Board by either an elected or appointed Executive Director should be represented on a given committee for no more than two full consecutive terms, including any period of time during which the member representing the constituency has served as Chairman. Notwithstanding this two-term guideline, and in order to promote continuity of knowledge and experience within Standing Committees, the Chairman and Vice Chairman of a committee at the close of a committee term may, subject to their respective agreement, be appointed to the same committee for one additional committee term, and may be selected as Chairman or Vice Chairman in accordance with paragraph 12(b) of this Resolution.
- (f) Membership on a committee concerns the individual. However, when a committee member resigns as Executive Director before the end of his/her term, the Executive Director's successor on the Board would normally, subject to the latter's agreement, be expected to be selected as the successor on the committee for the rest of the term.
- (g) Minimum experience as an Executive Director shall not be required for service on a committee. Each Executive Director should expect to serve on at least one but no more than two Standing Committees, except that the Dean of the Board should not serve on a Standing Committee and the Chairman of each Standing Committee should serve only on that committee.

Rules of Procedure

12. (a) The rules of procedure set out below shall be applied by the Standing Committees. A committee may adopt such additional rules of procedure consistent with the rules contained in this resolution as it deems appropriate, paying due regard to the important principles of transparency and trust among members of the Boards, equal access of all Executive Directors to the information needed to carry out their duties and appropriate confidentiality in the work of the Standing Committees.

(b) **Chairmanship**

(i) Each committee shall select its Chairman and Vice Chairman from among those of its members who expect to complete a two-year term, with a view towards balanced representation, among the Chairmen of the Standing Committees of the Board, of borrowing and non-borrowing member countries and of the economic and geographic diversity of the Bank's member countries. If the Chair of a committee represents a borrowing country at the Board, the Vice-Chair should represent a non-borrowing country and vice versa. When an Executive Director represents both borrowing and non-borrowing member countries, the country of the Executive Director should be the determining factor. When a committee Chairman relinquishes his/her position as chair, the Vice-Chairman would normally be expected to be selected as Chairman, subject to the Vice-Chairman's agreement and to maintaining a reasonable balance between borrowing and non-borrowing member countries in the distribution of chairmanships of committees.

(ii) In the absence of the Chairman and the Vice-Chairman at a meeting, a committee shall select one of its members, who shall be an Executive Director, to preside at the meeting.

(c) **Decision-making**

(i) A quorum for meetings of a committee shall be four of its members, either the Executive Director or his/her Alternate.

(ii) Decisions of a committee on procedural and administrative matters shall be taken by simple majority of those present; in the event of a tie, the Chairman shall have a casting vote. On other matters, the committee shall report to the Board and indicate the majority and minority views.

(d) **Attendance**

(i) Attendance at meetings of a committee shall be open to any Executive Director or Alternate, or authorized representative, except as provided in subparagraph (iii) below. If a member of a committee or other Executive Director cannot attend a meeting, his/her Alternate or authorized representative may attend in his/her place.

(ii) Non-member Executive Directors attending meeting of committees shall be entitled to participate in discussions without vote.

(iii) With due regard for the principles enumerated in paragraph 12 (a) above, a committee may hold:

(A) executive sessions, where the number of participants per office is limited, both for members and non-members; and

(B) in highly exceptional circumstances, closed sessions, where attendance is limited to committee members, either the Executive Director or his/her Alternate. The committee chairman shall ensure that non-member Executive Directors are provided with appropriate information concerning any closed session and the reasons for it.

In particular, the Audit Committee may meet, as necessary, in executive and closed sessions as specified in its terms of reference in Annex A.

(e) **Committee documentation and records**

(i) Documents of a committee shall be distributed to all Executive Directors and Alternates, except that access to documents for executive sessions and closed sessions under subparagraph (d)(iii) above may be restricted in a manner appropriate to the information concerned and the reasons for the executive session or closed session.

(ii) Each committee shall maintain records of its meetings, and report to the Board on its deliberations, except that such records and reports for executive sessions and closed sessions under subparagraph (d)(iii) above may be restricted in a manner appropriate to the information concerned and the reasons for the executive session or closed session.

(iii) Advance notice of committee meetings shall be provided to all Executive Directors.

13. All earlier resolutions and decisions of the Boards establishing standing committees, regulating appointments to such committees and determining their rules of procedures, and amendments thereto, are superseded by the text of this Resolution. This Resolution and each of its Annexes may be amended by the Boards from time to time.

Terms of Reference of the Audit Committee

1. PURPOSE

1.1 The Audit Committee is appointed by the Boards, including the MIGA Board of Directors to the extent separately authorized by the MIGA Board, for the primary purpose of assisting the Boards in overseeing the World Bank Group's finances, accounting, risk management and internal controls, including:

- (i) the integrity of financial statements for IBRD, IDA, IFC and MIGA and financial reporting related to trust funds;
- (ii) the appointment, qualifications and independence of the External Auditor;
- (iii) the performance of Internal Audit and of the External Auditor;
- (iv) the adequacy and effectiveness of financial, accounting and administrative policies and internal controls (including mechanisms for dealing with fraud and corruption); and
- (v) the effective management of financial, fiduciary (including procurement procedures), compliance and administrative risks in IBRD, IDA, IFC and MIGA, including trust funds.

1.2 Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, IBRD's, IDA's, IFC's and MIGA's policies, procedures and practices at all levels. The Audit Committee should also provide an open avenue of communication with the External Auditor, financial and senior management, Internal Audit, the unit responsible for institutional integrity, risk management functions and the Boards.

2. COMPOSITION AND MEETINGS

2.1 Audit Committee members, who for the purpose of this paragraph include alternates and temporary alternates, as designated by individual chairs, shall be free from any relationship that, in the opinion of the Boards would, interfere with the exercise of their independent judgment as a member of the Audit Committee. All members of the Audit Committee shall have a working familiarity with basic finance, accounting governance, internal audit, and risk management practices and principles and are encouraged to enhance their familiarity with them by participating in educational programs. The Audit Committee shall perform from time to time an annual self-assessment relative to the Audit Committee's purpose, duties and responsibilities outlined herein.

2.2 The Audit Committee shall meet periodically in separate executive or, where specifically required, closed sessions with management, the Auditor General, the External Auditor and the head of the unit responsible for institutional integrity to discuss any matters that the Committee or any of the foregoing believes should be discussed privately.

3. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Audit Committee shall:

3.1 Financial, Fiduciary and Administrative Policies

3.1.1. Review financial policies and other matters having a significant bearing on financial sustainability, portfolio concentration, credit risks, financial risks and exposures, reserving and loan-loss provisioning and the allocation of net income, as well as the integrity of the World Bank Group's financial reporting and risk management processes.

3.1.2. Review fiduciary aspects of activities, undertakings, and policies of the World Bank Group institutions, focusing in particular on effectiveness and integrity.

3.1.3. Review administrative policies with a focus on the adequacy and reasonableness of controls.

3.2 Documents and Reports

3.2.1. (a) Review and discuss with management IBRD's, IDA's, IFC's and MIGA's quarterly and annual financial statements.

(b) Review prior to their release, other relevant and significant reports or financial information (including press releases) submitted by IBRD, IDA, IFC and MIGA to any governmental body, analysts, underwriters, or the public, including management assertions (Committee of Sponsoring Organizations (COSO) and financial statements assertions) and relevant reports submitted by the External Auditor (or summaries thereof).

3.2.2. Recommend annual financial statements for approval to the Boards; review with financial management and the External Auditor the financial statements prior to their publication.

3.2.3. Receive regular activity reports from Internal Audit, the unit responsible for institutional integrity, risk management functions, treasury operations (including information on off-balance sheet exposures) and legal (including any legal matter that could have a significant impact on the organization's financial statements).

3.2.4. Review periodically for possible update these Terms of Reference, and recommend any necessary amendments to the Boards for approval.

3.3 External Auditors

3.3.1. Review the performance and recommend to the Boards for approval the appointment, compensation, removal and plan for the work performed by the External Auditor for audit and audit-related services, in accordance with the "Principles Applicable to the Appointment of an External Auditor for the World Bank Group", approved by the Boards in January 2003 (R2003-0005/1, IDA/R2003-0010/1, IFC/R2003-0011/1 and MIGA/R2003-0002/1).

3.3.2. Review and confirm at least annually the independence of the External Auditor by obtaining statements from the External Auditor on relationships it has with the World Bank Group; review annually the Board-approved additional audit-related services provided by the External Auditor to the World Bank Group.

3.3.3. Review annually with the External Auditor, as part of the year-end audit, the External Auditor's management letter, any problems or difficulties and management's response; review the annual External Auditor attestations and report on management's

internal control report; and hold an annual discussion in executive session with the External Auditor regarding all critical accounting policies and practices that have been discussed with management.

3.3.4. At least annually, obtain and review a report by the External Auditor describing its internal quality procedures and any material issues raised by the most recent quality control review. In addition, obtain updates from the External Auditor, as necessary, in connection with any material issues raised by regulators or other authoritative bodies in connection with the External Auditor's practice as a public accountant.

3.4 Financial Reporting Processes and Accounting Policies

3.4.1. Meet with representatives of management on a periodic basis to discuss any matters of concern arising from the process to assist the President and senior management in the disclosure of financial information and the annual COSO assertions.

3.4.2. Review with management major issues regarding accounting policies and financial statement presentations, including any significant changes in IBRD's, IDA's, IFC's and MIGA's selection or application of accounting principles, and major issues regarding the adequacy of internal controls over IBRD, IDA, IFC and MIGA and trust funds and any special steps adopted in light of potential significant or material control deficiencies.

3.5 Risk Management

3.5.1. Meet regularly with those responsible for risk assessment and risk management; such discussions should include the fiduciary aspects of and risks related to IBRD's, IDA's, IFC's and MIGA's major exposures in the areas of finance, accounting, operations, trust fund management and administration and stakeholder confidence, and the appropriateness and effectiveness of such functions and strategies for managing or mitigating exposures.

3.5.2. Review management's actions to ensure that appropriate risk management functions are in place, and meet regularly with those responsible for risk management functions to exercise oversight.

3.6 Supreme Audit Institutions

3.6.1. Ensure appropriate oversight for audits of the World Bank Group by Supreme Audit Institutions (SAIs) and monitor communication with these SAIs on behalf of the Board in accordance with "A Framework for Audits by the World Bank Group Members' Supreme Audit Institutions" (R2000-234/1).

3.6.2. Receive regular reports from management on requests for audits by SAIs and liaise appropriately with the Multilateral Audit Advisory Group as described in the above-mentioned framework.

3.7 Anti-Fraud and Anti-Corruption Measures

3.7.1. Review and recommend to the Board(s) for approval provisions to ensure that the World Bank Group has established and maintained appropriate, efficient and consistent procedures for the confidential and anonymous receipt, retention and treatment of complaints and anonymous submissions from World Bank Group employees or others

regarding fraud and corruption, unethical behavior, or questionable accounting or auditing matters.

3.7.2. Review and discuss with the head of the unit responsible for institutional integrity its annual report and work program for the coming year.

3.7.3. Meet quarterly with the head of the unit responsible for institutional integrity to receive updates on the significant activities and outcomes of this unit, in executive session or closed session if required. Periodically review, with the head of the unit, the operations, organizational structure, budget, staffing, and responsibilities of the function.

3.7.4. On a regular basis and not less than quarterly, meet in closed session with the head of the unit responsible for institutional integrity to discuss any matter that the Audit Committee or the head believes should be discussed in this format.

3.7.5. At its discretion, meet with the head of the unit responsible for institutional integrity, between regularly scheduled meetings, as deemed necessary, to discuss management plans to address cases, fraud-related or otherwise, related to the reputational and/or financial standing of IBRD, IDA, IFC and MIGA, especially those of possible public interest, in executive session or closed session if required.

3.7.6. Review periodically the role and functions of the Sanctions Board (including the appointment and removal of its members) and other sanctions-related staff and units.

3.7.7. Consult with management with respect to the Independent Advisory Board (IAB) Terms of Reference and selection criteria; refer matters to the IAB, seek the IAB's advice and consult with the IAB according to its Terms of Reference; participate in the process for selecting, renewing, and removing the IAB's members, according to the selection criteria; be regularly updated on the nature and scope of the IAB's activities and on significant developments relating to the IAB's activities, and receive and review annual reports and periodic evaluation reports on its activities.

3.8 **Internal Audit**

3.8.1. The Audit Committee shall assist the Boards in the selection and removal process for the Auditor General as follows, reporting to the Boards and recommending Board actions as appropriate:

(a) In light of the important relationship between the Audit Committee and the Auditor General, and as a part of the Audit Committee's and the Board's oversight function and on behalf of the Boards, oversee the processes of selection, replacement and removal of the Auditor General, as follows¹:

- (i) Participate in, review and advise on the selection of the Auditor General, including participation by the Chair and the Vice Chair of the Audit Committee or another member designated by the Chair in the candidate shortlisting process and on the interview panel for short-listed candidates

¹ This provision on appointment, replacement and removal of the Auditor General is subject to further review.

and consultation by these members with the other Committee members during the process;

- (ii) Participate in, review and advise on any intended replacement or removal of the Auditor General prior to the end of his/her term of appointment, at least 30 days in advance of any such action being taken, unless waived by the Committee, in order to give the Committee sufficient opportunity to consider the reasons therefore and to meet with the Auditor General if it considers such action appropriate; and
- (iii) Refer any intended replacement or removal to the Board for full consideration of the matter if it considers such action appropriate.

3.8.2. Review and recommend to the Boards for approval Terms of Reference of Internal Audit; periodically review, with the Auditor General, the operations, organizational structure, budget, staffing and responsibilities of the function.

3.8.3. Review and recommend annually to the Boards for approval the Internal Audit work program; request, as circumstances dictate, that specific audits be added to this program.

3.8.4. Review a summary of the reports to management prepared by Internal Audit and management's response and be regularly briefed on the status of subsequent actions; have access to full audit reports on request.

3.8.5. Review and discuss regularly internal controls over operations and compliance to determine whether such controls are in place and are functioning properly in an effort to prevent misuse of funds and to ensure compliance with key provisions of IBRD's, IDA's, IFC's and MIGA's charters and policies relating to financial operations, reporting, and management, including trust funds.

3.8.6. On a regular basis and not less than quarterly, meet in closed session with the Auditor General to discuss any matter that the Audit Committee or Internal Audit believes should be discussed in this format, including any significant difficulties, disagreements, or delays with management, or scope restrictions encountered in the course of internal audit work.

3.8.7. At its discretion, meet with the Auditor General on specific matters between regularly scheduled meetings, as deemed necessary.

3.8.8. Review the effectiveness of the internal audit function, including any plans for and results of external assessment of quality and compliance with the International Standards for the Professional Practice of Internal Auditing, promulgated by the Institute of Internal Auditors.

3.9 Management and Organization of Risk Management and Finance Functions

3.9.1. Review and discuss periodically with management how IBRD's, IDA's, IFC's and MIGA's organizational structures ensure the continued integrity of financial management and reporting and the continued adequacy of the governance, risk management, internal controls framework and accounting policies in the respective

institutions, taking into account any prospective changes involving these key areas then under consideration by management.

Terms of Reference of the Budget Committee

1. PURPOSE

1.1 The primary purpose of the Budget Committee is to assist the Boards in approving the respective budgets of IBRD/IDA, IFC and MIGA (together the “World Bank Group”) and in overseeing the preparation and execution of their business plans. Towards this end, the Budget Committee assists the Boards in providing guidance to management on strategic directions of the World Bank Group; in reviewing alignment of budgets (including both expenditures and revenues) and trust funds with these strategic directions; in monitoring budgetary and operational performance to fulfill the Boards’ obligations with respect to the efficient and effective use of World Bank Group resources; and in reviewing and recommending for Board approval appropriate budgetary policies, procedures, standards for due diligence and accountability mechanisms.

2. RESPONSIBILITIES AND DUTIES

In fulfillment of its responsibilities, the Budget Committee shall carry out the activities enumerated below as well as other tasks that it deems necessary or appropriate:

2.1 Guidance on Strategic Directions

2.1.1. Provide inputs especially from the resource management perspective to the Boards to enable constructive engagement with World Bank Group management in articulating strategic directions for the Group.

2.1.2. Consider the financial resources available to the World Bank Group, and review resource allocation procedures as well as cost drivers established to support the Group’s strategic directions with requisite annual budgets, and make recommendations to the Boards as appropriate.

2.2 Strategic Alignment of Budgets (including Trust Funds)

2.2.1. Review the business plans, budgets and results of each World Bank Group institution in relation to agreed strategic priorities and efficient and effective use of World Bank Group’s own resources as well as external funds entrusted to or administered by the Group. In this regard, the committee shall be informed of and review any major new programs, initiatives, and organizational changes having budget implications, and monitor any change in priority, strategy or organization that has a significant budgetary impact.

2.2.2. Play an active role in the Boards’ engagement with management in reviewing corporate performance indicators, instruments and incentives to ensure their alignment with the Groups’ strategic objectives.

2.3 Monitoring Performance

2.3.1. Periodically discuss performance with management on the basis of quarterly reports from IBRD/IDA, IFC and MIGA analyzing trends in outputs and results, resource use and staffing.

2.3.2. Discuss occasional management reports on evaluations or reviews on special topics or strategic themes related to resource allocation, cost-effectiveness or productive efficiency of the World Bank Group's activities.

2.4 Budgetary Policies, Procedures, Standards and Accountability Mechanisms

2.4.1. Recommend for Board approval, and thereafter monitor, mechanisms for due diligence and supervision of "below the line" budget items within the Board scope of responsibility including – in cooperation with relevant Board committees - on the management's cost recovery and the use of any resources which are not delegated or allocated to the World Bank Group net administrative budgets, including but not limited to trust funds which are part of the Development Grant Facility (DGF), budgets of programs jointly administered by the WBG in cooperation with other donors, budgets of other units (*e.g.* the Boards, Corporate Secretariat, Independent Evaluation Group and the Inspection Panel).

2.4.2. Periodically review the policies and management processes governing the World Bank Group's budgetary systems and procedures to ensure value for money through the pursuit of operational efficiency, accountability and cost-effectiveness in the delivery of services with maximum development impact.

Terms of Reference of the Committee on Development Effectiveness (CODE)

1. PURPOSE

1.1 The Committee on Development Effectiveness (the Committee) supports the Boards in assessing the development effectiveness of the World Bank Group, providing guidance on strategic directions of each member institution of the World Bank Group, monitoring the quality and results of the World Bank Group operations, and overseeing or liaising on the work of the entities that are part of the World Bank Group's accountability framework (i.e., the relevant units of the Independent Evaluation Group (IEG) including IEG-WB with respect to operation of IBRD and IDA, IEG-IFC with respect to IFC operations, and IEG-MIGA with respect to MIGA operations); the Inspection Panel with respect to IBRD and IDA operations; the Compliance Advisor/Ombudsman with respect to IFC and MIGA; and any others whose oversight or liaison is delegated to the Committee.

2. RESPONSIBILITIES AND DUTIES

In fulfillment of its responsibilities, the Committee shall:

2.1 Development Effectiveness

2.1.1. Identify, consider, and make recommendations to the Boards on high priority issues related to the development effectiveness of the member institutions of the World Bank Group, and the results achieved through their operations (both lending and non-lending activities for IBRD and IDA, investment and advisory services for IFC, and guarantee and advisory services for MIGA) at the global, regional and country levels. In this regard, the Committee shall draw on the self evaluations of the member institutions of the World Bank Group, independent evaluations, and other relevant reports from within and outside the World Bank Group.

2.1.2. Provide inputs, from the perspective of development effectiveness of the World Bank Group, to the Boards' deliberations on broad strategic directions of the member institutions.

2.1.3. Oversee the adequacy, efficiency, and robustness of the World Bank Group monitoring and evaluation systems (including each member institution's self-monitoring and evaluation, and relevant IEG unit's evaluation structures and methodologies).

2.2 Thematic/Sector Strategies, and Operational Policies

2.2.1. Monitor the quality and results of, and recommendations to the Boards on high priority issues related to the implementation of each World Bank Group member institution's sector and thematic strategies, and operational policies, through relevant self-evaluations, specific IEG evaluation reports and associated management responses, and external studies. Identify key issues for Board consideration.

2.2.2. Provide guidance to Management on, and make recommendations to the Board on the thematic/sector strategies and operational policies under preparation or revision for each member institution of the World Bank Group.

2.3 Development Research and Knowledge Management

2.3.1. Monitor the periodic assessments of the relevance, quality, integrity, and efficiency of research activities of IBRD and IDA, and technical and advisory services of the member institutions of the World Bank Group (e.g., World Bank Institute work, Development Economics research, technical assistance, policy analysis, analytical and advisory services, capacity building).

2.3.2. Consider the adequacy and effectiveness of the management, dissemination, and utilization of knowledge produced by the members of the World Bank Group and by the IEG.

2.4 Institutional Effectiveness

2.4.1. Provide inputs, from the perspective of development effectiveness of the World Bank Group, to the Boards' consideration of the business processes and related organizational arrangements of the member institutions.

2.5 Oversight and Administration

2.5.1. Oversee on behalf of the Boards the work of IEG, including review of the formulation and execution of the IEG's work program and, in consultation with the Budget Committee, its budget. Make recommendations for the Boards' consideration.

2.5.2. Periodically review the Mandate of the Director-General, Evaluation (DGE) and the IEG Terms of Reference (for IEG-WB, IEG-IFC and IEG-MIGA) to ensure that they remain appropriate.

2.5.3. (a) Assist the Boards by overseeing the processes for the selection and removal of the DGE, reporting to the Boards and recommending Board action as appropriate.

(b) Oversee the remuneration of the DGE with the advice of the Bank's Vice President, Human Resources; oversee the DGE's management of the IEG personnel, budgets, and work programs; and make relevant recommendations to the Boards.

2.5.4. With respect to IBRD and IDA, serve as interlocutor with the Inspection Panel on behalf of the Board.

2.5.5. With respect to IFC and MIGA, consider the work of the Compliance Advisor/Ombudsman, and identify issues and make recommendations for the Boards' consideration.

**Terms of Reference of the Committee on Governance and Executive Directors’
Administrative Matters (COGAM)**

1. PURPOSE

1.1 The primary purpose of the Committee on Governance and Executive Directors’ Administrative Matters (the Committee) is to assist the Boards in issues related to the governance of the institutions of the World Bank Group, the Boards’ own effectiveness, and the administrative policy applicable to Executive Directors’ offices.

2. RESPONSIBILITIES AND DUTIES

2.1 The Committee will consider issues related to the institutions’ governance, the effectiveness of the Boards and the administrative policy applicable to Executive Directors and their Alternates and Senior Advisors.

2.2 The Committee will exercise its duties with respect to issues referred to it by the Boards or on the Committee’s own initiative.

2.3 In fulfillment of its responsibilities, the Committee shall:

2.3.1. Consider questions of governance and make recommendations to the Boards on governance-related principles, practices and procedures to be followed in the organization.

2.3.2. Keep up to date on the trends and best practices in governance followed by multilateral institutions, not-for-profit organizations, and the private sector and evaluate their applicability to the organization.

2.3.3. Evaluate the effectiveness of the Boards and Board Standing Committees and make recommendations to the Boards when appropriate.

2.3.4. Consider questions of administrative policy relating to Executive Directors and their Alternates and Senior Advisors and make recommendations to the Boards.

2.3.5. Upon request of the President or any Executive Director or Alternate concerned, consider, and in the absence of a request for reference to the Boards, decide questions involving individual Executive Directors and Alternates, arising under established administrative policy.

2.3.6. Maintain close liaison with the IMF Executive Board on relevant matters relating to administrative policy bearing in mind the need for parallelism between the two institutions.

2.3.7. Consider governance aspects related to representation and shareholding in World Bank Group institutions.

2.4 The Committee may also consider issues that do not fall within the mandates of existing Committees that have become increasingly important in Board governance, as referred to in *‘Proposal to Establish a Committee on Governance and Executive Director’s Administrative Matters’* (OM2002-0110), Enhancing Corporate Governance.

Terms of Reference of the Human Resources Committee

1. PURPOSE

1.1 The Human Resources Committee (the Committee) is established by the Boards to strengthen the efficiency and effectiveness of the Boards in discharging its oversight responsibility on the World Bank Group's (the WBG) Human Resources strategy, policies and practices, and their alignment with the business needs of the organization.

2. RESPONSIBILITIES AND DUTIES

In fulfillment of its responsibilities, the Committee shall:

2.1 Oversee the Bank's Human Resources Strategy and Policies

2.1.1. The Committee shall conduct an annual review of the Human Resources strategy.

2.1.2. The Committee shall evaluate the Annual Review of Staff Compensation.

2.1.3. The Committee shall periodically review the effectiveness and alignment to business needs of the Bank's Human Resources policies related in particular to:

- (a) Strategic staffing, including staff skills, recruitment, deployment and development;
- (b) Diversity;
- (c) Terms of employment;
- (d) Compensation and benefits;
- (e) Performance management, rewards and recognition;
- (f) Staff knowledge and learning;
- (g) Organizational design, including decentralization strategies;
- (h) Staff health and safety; and
- (i) Managerial accountability.

2.1.4. The Committee shall maintain close liaison with the International Monetary Fund (IMF) Executive Board on all Human Resources issues.

2.2 Oversee the alignment of staffing with agreed WBG's priorities

2.2.1. The Committee shall periodically review and discuss key staffing and compensation issues in light of the Bank Group's strategic directions.

2.2.2. The Committee shall periodically review and discuss key strategic staffing issues with Management as necessary.

2.3 Fulfill specific responsibilities in relation to Board Involvement in Senior Appointments

2.3.1. In consultation with other Committees of the Boards, the Committee shall review the principles, policies and practices in the appointment and assessment of senior managers.

2.4 Monitor the Conflict Resolution System of the Bank

2.4.1. The Committee shall consider annual reports on the Conflict Resolution System and periodically assess its adequacy.

2.5 Monitor investigations of alleged misconduct by Bank staff

2.5.1. In joint sessions with the Audit Committee, the Committee shall consider the annual summary reports on INT investigations of alleged fraud, corruption and other misconduct by Bank staff.

2.6 Discharge other responsibilities within its remit

2.6.1. The Committee shall review periodically the content and implementation of the Action Plans resulting from the regular Staff Surveys.

2.6.2. The Committee shall perform any other activity consistent with the Committee's Terms of Reference and the Bank's governing documents, as deemed necessary or desirable by the Board or the Committee.

2.7 Liaison with Staff Association

2.7.1. The World Bank Group Staff Association shall be invited, as appropriate, to send a representative to attend Committee meetings.