

Fostering Good Governance



Governance

- Process by which decisions are made and implemented
- Key attributes
 - Stakeholder participation
 - Transparency
 - Accountability
 - Administration in accordance with law
 - Adherence to policies
 - Effective delivery of benefits



Governance

- Key building blocks
 - Clearly define roles and responsibilities
 - Reduce real and potential conflicts of interest
 - Recognize and manage competing needs
 - Staff appropriately



Governance

- Clearly define roles and responsibilities
 - Define purpose and goals
 - Ensure proper funding
 - Monitor operational compliance
 - Establish transparent procedures
 - Ensure execution of roles and responsibilities



Governance

- Reduce real and potential conflicts of interest
 - Require proper disclosure
 - Emphasize fiduciary responsibility
 - Avoid moral hazard



Governance

- Recognize and manage competing needs
 - Anticipate unintended consequences
 - Balance competing interests
 - Establish appropriate legislation, regulations, and rules
 - Ensure strong oversight
 - Incorporate disincentives for excessive risk taking
 - Use self-adjusting mechanisms



Governance

- Staff appropriately
 - Engage independent experts
 - Include representatives of key stakeholders
 - Establish explicit procedures and transparent mechanisms for appointments
 - Disclose remuneration policy and other terms



Governance Summary

- Clearly defines roles and responsibilities, and acts in accordance with them
- Reduces real and potential conflicts of interest
- Recognizes and manages competing needs
- Staffs boards with financial and other professionals who possess relevant expertise

