

THE NEXT CHAPTER FOR DFI COLLABORATION UNDER THE CORPORATE GOVERNANCE DEVELOPMENT FRAMEWORK



“The Corporate Governance Development Framework functions not only as a set of commitments but also as a learning system – one that helps with the measurement of progress, the identification of bottlenecks and the sharing of workable practices.”



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PAVLE DJURIĆ
SENIOR COUNSEL, EBRD
djuricp@ebrd.com

2

BRUNO SBARDELLINI COSSI
CORPORATE GOVERNANCE
DIRECTOR, IDB INVEST
brunosb@iadb.org

With governance risks multiplying – ranging from geopolitics and cyber-threats to artificial intelligence and sustainability pressures – development finance institutions (DFIs) are under growing pressure to turn governance principles into practical results. This article looks at how the Corporate Governance Development Framework (CGDF), launched by the EBRD and partner DFIs, is evolving from a shared methodology into a more action-oriented platform for cooperation. Drawing on discussions at the 16th Annual CGDF Network Meeting in London, it argues that the framework's future lies in usable tools, mutual reliance and stronger implementation support that can make governance reforms more visible, coordinated and effective.



Corporate governance is often described in general terms – transparency, accountability, effective boards, and so on – but for development finance institutions (DFIs), the challenge is more operational: how to turn governance expectations into tangible change in client companies operating across diverse legal systems, ownership models and market conditions.

The Corporate Governance Development Framework (CGDF) provides a shared approach to governance in investment operations. Established in 2011 by the EBRD, IDB Invest and other DFIs, it offers a common methodology and toolkit for assessing and strengthening investee companies' governance – supporting greater transparency, accountability and coordinated impact across markets.

In November 2025 DFIs and partners convened in London for the 16th Annual CGDF Network Meeting. The discussions highlighted the speed with which the key issues affecting the governance landscape are shifting – from geopolitical risk and cyber-threats to disruption by artificial intelligence (AI) and fast-expanding sustainability regulation – and underlined DFIs' need for a shared approach that is practical, comparable and scalable.

A MEETING TAILORED TO TODAY'S GOVERNANCE REALITIES

The 16th Annual CGDF Network Meeting was designed as a two-day conversation with two distinct purposes: (i) to debate the governance issues that are currently reshaping markets; and (ii) to provide a forum for DFIs to compare notes on framework implementation. The mix of thematic discussions and practical exchanges reflected a core idea – that the CGDF is not only a repository of principles but also a mechanism for making governance deliver in investment operations.

The theme of the event – “Navigating the shifting landscape” – captured the convergence of pressures affecting both market and governance expectations. The opening session framed the current governance environment in practical terms: how boards maintain oversight, exercise judgement and respond to risks. Boards are being pulled in many different directions, having to deal with multiple issues simultaneously: geopolitical volatility and trade disruption; cybersecurity, operational resilience and the rising governance implications of AI; and an increasingly dense field of regulatory and reporting requirements. The first of the panel discussions, on the “boardroom 2025”, summed these pressures up in a single question: “How can boards steer through regulatory complexity, keep culture and human-capital oversight credible and build enough organisational ‘grip’ to respond to shocks?”



For DFIs, this is an operational question. Many investee companies, especially in emerging markets or complex ownership settings, must still grapple with uneven board maturity, management-centric information flows and internal controls that were not built for today's pace of risk. In that context, governance becomes a critical driver of resilience and performance: clearer board mandates, stronger reporting and more capable boards directly affect risk management and the quality of decision-making. The practical implication is that boards in particular must reinforce their connection to business strategy, while at the same time increasing their readiness to apply judgement and vigilance regarding various issues that lie outside their area of expertise and the "typical" remit of boards.

The discussion also explored the role that governance can play as an anchor of sustainability at a moment of market recalibration. Regardless of shifting environmental, social and governance labels or priorities, sustainable performance depends



The CGDF Network represents something quite distinctive: a shared commitment to raising governance standards in practice – not as an abstract notion, but as a concrete driver of competitiveness, resilience and sustainable growth. ”

Alba Bozo

Deputy General Counsel, EBRD

on board oversight, accountability for targets, and data integrity and transparency that supports decisions. Ultimately, governance determines whether sustainability commitments become an operational reality.

Another area of focus was the governance of state-owned enterprises (SOEs), where the implementation gap remains pronounced. Competing and unclear mandates, fragmented ownership functions and political economy constraints continue to pose challenges for the effectiveness of boards. For those DFIs – such as the EBRD – that invest in SOEs, engagement on governance often sits at the intersection of investment conditions, technical assistance and policy dialogue, making alignment across institutions critical to avoid mixed signals and support credible reform pathways.

Day one of the meeting also looked at whether implementation itself was a governance challenge. Discussions on incentives and conditionality reinforced a familiar but often underappreciated point: that governance reforms typically fail not because of a lack of standards, but because incentives, capacity and follow-through are insufficient.

FROM COMMON LANGUAGE TO USABLE TOOLS

On day two of the event, the focus shifted from themes to mechanics. The day opened with updates and the annual survey on CGDF implementation, before moving on to an exchange on how to embed CGDF commitments within institutions. The discussion centred on the realities of delivery: where corporate governance sits within institutional mandates; its dependence on internal processes, resources and incentives; and how to align with investment teams while coordinating with other DFIs on individual projects.

A key step in terms of bringing governance further into the mainstream is the creation of a questionnaire aligned with the recently developed CGDF Corporate Governance Progression Matrix. This is intended as a practical screening tool rather than a full

diagnostic instrument. Designed for broad applicability, it enables DFIs to approach governance through a shared structure, so they can avoid duplication in their requests to clients, align expectations regarding action plans and enable mutual reliance where appropriate. Experiences shared during the session showed how this could support more effective cooperation in joint investments, with one institution taking the lead on selected governance diagnostics and others relying on that work to streamline due diligence and engagement.

The broader discussion emphasised that tools are necessary but not sufficient on their own. Governance remains difficult to “see” internally unless it is linked to a clear logic of risk mitigation and performance and integrated into origination and due diligence workflows at an early stage. Incentives are crucial: meaningful governance improvements are more likely when clients are supported through a longer-term reform trajectory with milestones that encourage continuous progress and adaptation.

In that context, shared tools and collective learning can make governance work more actionable in practice. Screening instruments can focus attention on material gaps, training can build capacity, and benchmarking can make governance work more visible within institutions. Thus, the CGDF functions not only as a set of commitments but also as a learning system – one that helps with the measurement of progress, the identification of bottlenecks and the sharing of workable practices.

THE CGDF AS A COLLABORATION PLATFORM: THE NEXT PHASE

As the meeting came to a close, there was a clear sense of renewed commitment – and a shared recognition that, despite mounting pressures, DFIs need to use their investments more purposefully to raise governance standards and translate principles into measurable outcomes. Against that background, the CGDF’s focus in 2026 is on shifting from introspection to action.

If the CGDF is to stay ahead of a governance landscape that is evolving faster than most institutions can adapt, it needs to function less as a static toolkit and more as a practical mechanism for delivery – one that makes good governance easier to apply, evidence and coordinate across institutions. That distinction matters: it is the difference between a framework that is available and one that is actually used – and used early and consistently enough to influence investment decisions.

Recent work on stepping back and reassessing how the framework operates in practice – clarifying its mandate, approach to membership and onboarding of new participants – points in the same direction. Beyond process, the aim is to make collaboration more consistent, inclusive and effective, particularly as the CGDF community expands and takes on more ambitious initiatives.

Tools only create impact when they are understood, tested and refined through application. This places a premium on engagement – that is to say, not just sharing materials but creating feedback loops that help members to see what works, adapt approaches and build confidence in using them.

Most importantly, the CGDF can increase its relevance by making collaboration easier than working alone. In joint investments, this translates into mutual reliance: shared baselines, aligned diagnostics and coordinated engagement that, together, reduce duplication and lead to clearer, more implementable action plans. The building blocks are already in place:



Strong governance is not a luxury – it is the foundation of sustainable value creation. ”

Dirk Werner

Managing Director of the Equity Group, EBRD

common definitions, core checklists and templates that support alignment without requiring identical mandates or processes.

From this perspective, the next phase has three priorities: deepening implementation support where governance challenges are greatest; continuing to turn common language into practical, modular tools; and embedding collaboration in day-to-day practices, particularly for co-investments.

Ultimately, the relevance of the CGDF will be determined by whether it helps institutions move from commitment to delivery. Governance is not an abstract concept – it underpins strategy, shapes risk and determines whether priorities lead to outcomes. If the CGDF can make that connection clearer in practice, it will not only remain relevant but become indispensable.

