

# CG Updates

Newsletter produced by  
IFC's Corporate Governance Group



*Creating Markets, Creating Opportunities*

## Feature



### IFC and Partners Ring Bells for Gender Equality around the World

Over the course of a week in early March, professional women gathered at 43 stock exchanges around the world to ring opening and closing trading bells in a symbolic gesture of solidarity to mark International Women's Day. The event highlighted the importance of the private sector in stimulating increased women's participation in the global economy. [Feature Story](#) | [Press Release](#)

## News

News are organized in alphabetical order by region and country.

### GLOBAL

#### Peru: Development Finance Institutions Recommit to Good Practices of Corporate Governance

**Lima, March 29–30, 2017**—Today, even with notable global gains on the poverty front, development to-do lists remain long. And, as the world's poor become increasingly concentrated in war-torn and fragile countries, achieving sustainable progress in ending poverty and boosting economic growth is ever more challenging. At the XI DFI Conference on Corporate Governance, signatory institutions and other participants reviewed progress in the implementation of the Corporate Governance Development Framework

## PRESS RELEASES

### Cambodia

IFC, the National Bank of Cambodia, and the Securities and Exchange Commission of Cambodia Launch Cambodia Corporate Governance Initiative

### Côte d'Ivoire

IFC Launches Program to Improve Corporate Governance in Côte d'Ivoire

### Kenya

IFC and Capital Markets Authority Kenya Train Company Directors on Corporate Governance

## About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with 2,000 businesses worldwide, we use our six decades of experience to create opportunity where it's needed most. In FY16, our long-term investments in developing countries rose to nearly \$19 billion, leveraging our capital, expertise and influence to help the private sector end extreme poverty and boost shared prosperity.

January–March 2017

and provided an update on the major initiatives undertaken by signatories. The OPEC Fund for International Development became the latest signatory, bringing the number of DFI members to 35.

[Feature Story](#) | [Press Release in English](#) | [Spanish](#)

### **USA: International Corporate Governance Network Convenes; Focus on Critical Global Issues**

**Washington, D.C., March 1-2, 2017**—Wealth inequality, trust-building across governments, businesses and societies, and setting higher standards for environmental, social, and governance practices were among the timely topics covered at the meeting of the International Corporate Governance Network, co-hosted by IFC and the Council of Institutional Investors. At an IFC-facilitated session, participants discussed strategies to engage companies on environmental and social responsibilities. During the session, attendees learned more about IFC's own performance standards, which have become globally recognized as a benchmark for environmental, social and governance risk management in the private sector. As part of its market-creation focus, IFC is encouraging enhanced sustainability and governance across the entire financial systems of emerging markets. This effort involves expanded outreach and more work with institutional investors, stock exchanges and regulators.

### **USA: Executive Program Aims to Strengthen Role of Women Entrepreneurs, Improve Corporate Governance**

**Miami, February 22-24, 2017**—IFC partnered with Fundación Liderazgos y Organizaciones Responsables (FLOR) and other partners, in a training aimed at strengthening the role of women in businesses and improving corporate governance practices in their companies. Presentations included the role of women on boards, personal branding, corporate governance of companies, diversity and regulatory frameworks, and sustainability, among other topics. Participants came from different countries in the Latin America and Caribbean region. The Foundation has plans to replicate this type of training in the future, given their successful training model in their native Argentina, where they had been delivering this course for several years. [FLOR website](#)

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## **EAST ASIA AND THE PACIFIC**

### **Regional: East Asia Stock Exchanges Participate in Bell Ringing for Gender Equality**

**Yangon, March 8, Ho Chi Minh City, March 8 & Ulaanbaatar, March 7, 2017**—The Yangon Stock Exchange, the Hochiminh Stock Exchange, and the Mongolia Stock Exchange joined their coun-

## **PRESS RELEASES**

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### **Mongolia**

IFC and Mongolian Government Partner to Promote Green Buildings

### **Nigeria**

IFC, SEC and Other Stakeholders Promote Greater Involvement of Women on Boards

### **Philippines**

IFC and Philippine SEC Revise Corporate Governance Code to Enhance Transparency, Shareholder Protection

### **Senegal**

IFC Launches Program to Improve Corporate Governance in Senegal

### **Global**

IFC and Stock Exchanges around the World 'Ring the Bell' for Gender Equality

**Australia**  
**Azerbaijan**  
**India**  
**Jordan**  
**Mongolia**  
**Myanmar**  
**Romania**  
**Sri Lanka**  
**Vietnam**

terparts around the world in the Ring the Bell for Gender Equality global initiative. This represented the Yangon exchange's first-time participation in the event, an initiative organized by IFC and the Securities and Exchange Commission of Myanmar. According to Commission Chairman U Maung Win, the event signaled their commitment to advancing gender equality in Myanmar's institutions and companies.

In Vietnam, representatives of the Hochiminh Stock Exchange, IFC, and UN Women rang the opening trading bell to mark International Women's Day. Several spoke about the continuing challenges of achieving gender equality and ways the private sector could help.

In Ulaanbaatar, several prominent institutions joined IFC and the Mongolian Stock Exchange in organizing the event, including the Corporate Governance Development Center, the Women Corporate Directors Mongolia Chapter, and the Women Entrepreneurs' Council of the Mongolian National Chamber of Commerce and Industry. [Myanmar Press Release](#) | [Vietnam Press Release](#) | [Mongolia Press Release](#)

### **Cambodia: New Initiative Aims to Improve Cambodia's Corporate Governance**

**Phnom Penh, March 14, 2017**—A new effort to promote good corporate governance standards and practices in Cambodia brings together IFC, the National Bank of Cambodia, and the Securities and Exchange Commission of Cambodia. The three are joining forces in support of Cambodian regulatory bodies' efforts to improve governance-related regulations and standards. Plans include delivering training, sharing best practice materials, and building capacity of local trainers—as well as providing direct assistance to companies interested in enhancing the quality of their governance.

In a related development, IFC and Cambodia's SEC recently completed a diagnostic of the country's corporate governance legal framework that applies to large and listed corporations. Findings and recommendations will help market regulators align the Cambodian framework with others in the region. [Press Release](#)

### **Myanmar: Myanmar Moves to Improve Securities Regulation, Boost Investor Confidence**

**Yangon, March 17, 2017**—IFC and the Securities and Exchange Commission of Myanmar have signed a memorandum of understanding to strengthen corporate governance regulatory standards and practices in the country. A better regulated market will bolster investor confidence and help draw more investment to Myanmar as the country continues to open up. Over the next year, IFC will help the commission build its capacity by providing





corporate governance training to its teams, sharing best practices on themes specific to capital markets and regulators such as disclosure and investor rights. IFC will also support the commission in reviewing new regulations to enhance corporate governance regulatory standards. Last year, IFC launched its Corporate Governance Program in Myanmar at a forum that attracted more than 400 participants. [Press Release](#)

## EUROPE AND CENTRAL ASIA

### Regional: Eastern Europe and Central Asia Stock Exchanges Ring the Bell for Gender Equality

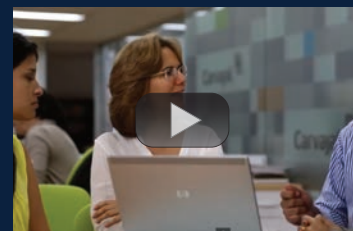
**Baku, March 9, Bucharest, March 8 & Istanbul, March 8, 2017**—IFC partnered with the Baku, Bucharest and Istanbul stock exchanges, in a global initiative to “Ring the Bell for Gender Equality” – the partnership that highlights the importance of gender equality for private sector growth and sustainable development. The Baku event attracted over 60 private sector, government and international development institution representatives. At the event, several speakers emphasized the connection between empowering women and higher productivity, more customers, and a stronger bottom line for private companies, ultimately leading to increases in Gross Domestic Product.

The Bucharest event highlighted IFC’s support for women entrepreneurs in Romania, including loans to Garanti-Romania for on-lending to women entrepreneurs and training for female business executives on leadership and board functions. IFC provided support to the Istanbul event as well. [Azerbaijan Press Release](#) | [Romania Press Release](#)

### Macedonia: Environmental and Social Standards Added to New Corporate Governance Code for Joint Stock Companies

**Skopje, March 7, 2017**—With IFC’s help, the Macedonian Stock Exchange, Securities and Exchange Commission and Macedonian Institute of Directors have developed a new corporate governance code for joint-stock companies. This initiative is important for two reasons: the previous Code focused only on listed entities and now covers a wider group of companies; and this is the first time that the regulators and the stock exchange include a separate chapter focused on environmental and social standards, creating a more comprehensive approach to governance. In March, more than 40 executives, representing 15 institutions convened at a high-level round table hosted by IFC to learn more about the code and to provide feedback on implementation challenges and potential benefits.

## VIDEOS



**IFC Corporate Governance Advisory Services:** Helping Companies to Operate More Profitably & Grow



**Servicios de Asesoría en Gobierno Corporativo de IFC:** Ayudando a Las Empresas a Crecer y Operar de Manera Mas Rentable



**Strengthening Corporate Governance** in Fragile and Conflict-affected countries



**IFC and BSE collaborate to develop** India’s first Corporate Governance Scorecard

► MORE VIDEOS

## **Tajikistan: Strengthening Bank Boards at a Time of Governance Challenges and Economic Crisis**

**Dushanbe, March 28-29, 2017**—Tajikistan's economy began spiraling downward in early 2015, after a decade of healthy growth. The country faces significant challenges, according to a recent World Bank report, including persistent lack of jobs. As the rate of non-performing loans soars, creating liquidity and insolvency issues, the financial and banking sector is struggling—even as it tries to address its serious corporate governance problems.

As a part of a broader crisis response initiative, IFC's regional corporate governance experts teamed up with representatives of Tajikistan's national bank, co-hosting a two-day workshop that explored the role of the board in strengthening banks' governance. The event, entitled "The Role of the Board of Directors in the Corporate Governance System of Banking Organizations," focused on specific and concrete actions to take: improving the quality of interaction between all related parties, establishing a clear division of power and responsibility, increasing the effectiveness of supervisory board activities, scheduling annual board meetings, and carrying out annual evaluations.

Drawing participants from across the country's banking sector, the program enabled healthy and direct interaction between supervisory and management board directors and representative shareholders of the banking organizations. The event is part of an on-going effort that includes continued collaboration with the national bank as well as advisory and technical guidance in support of extensive corporate governance reform.

## **Ukraine: Understanding Interest-Based Negotiations: Everybody Wins**

**Kyiv, March 31, 2017**—Ukraine's small and medium companies make up a significant part of the country's private sector. Owners and managers of these companies may bring a strong entrepreneurial energy to the table, but they also may lack formal education in the nuances of negotiation or the risks associated with later stages of business development. Such skills are critical if these companies are to survive and grow. That's the reason IFC's corporate governance team convened a session specifically designed for small and medium companies, giving them practical tools to identify the business risks and challenges they might encounter as their companies grow. Participants, including 30 members of the country's Business People Club, also learned about governance mechanisms to address the risks. A presentation on interest-based negotiations gave attendees a better understanding of a collaborative negotiation style aimed at finding win-win solutions. These so-called "interest-based negotiations" also offer an effective way to resolve business disputes, attendees learned.



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## LATIN AMERICA AND THE CARIBBEAN

### **Regional: Latin American Stock Exchanges Join the Global Bell Ringing for Gender Equality**

**Bogota, March 9, Buenos Aires, March 7 & Lima, March 8, 2017**

—Joining with their sister exchanges around the world, stock exchanges in Argentina, Colombia and Peru took a pause to “Ring the Bell for Gender Equality.” Supported by IFC, the Latin American initiative highlights the importance of gender diversity on boards and within senior management within the region and around the world. In well-attended and publicized events associated with the bell ringing at the three exchanges, high profile dignitaries encouraged more action on the gender equality front. For instance, at the Bolsa in Buenos Aires, Argentina’s vice president, Marta Gabriela Michetti, addressed more than 400 participants, including representatives from private companies and regulatory agencies.

### **Colombia and Peru: New Centers to Promote Good Corporate Governance**

**Bogota, February 16 & Lima, March 17, 2017**—After many months of engagement, discussion and outreach to key players in the market, the new Colombian Corporate Governance Institute is now open for business—building its membership base and developing activities aimed at improving the overall level of governance in Colombia. A joint effort of IFC and Colombia’s Centro de Estudios Superiores Administrativos (CESA), the institute has embraced good governance in its own operating procedures, electing a full slate of board directors and adopting its own governance statutes and processes. Along the way, the partners sought input from public and private sector representatives, academia, the Bolsa de Valores de Colombia, and others.

A similar initiative in Peru has resulted in the creation of the Corporate Governance Center, which will promote corporate governance in the Peruvian market. The Partners in this effort comprise, at this stage, IFC and the University of Lima, which further plans to integrate corporate governance-related topics into its course curricula.

### **Colombia: Growing Businesses by Improving Governance Practices**

**Bogota, March 2017**—Given their significant potential for growth, job creation, and broader economic contributions, Colombia’s export businesses are of interest to IFC and Bancoldex, Colombia’s state-owned development bank. The development bank—itsself an IFC corporate governance client—has taken the lead in introducing IFC’s corporate governance approach to several high-impact

## IFC Corporate Governance programs by topic – fact sheets

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Codes and Scorecards

Corporate Governance Development Framework

Fragile and Conflict-Affected Situations

Small and Medium Enterprises

Nigeria Securities and Exchange Commission Develops a Corporate Governance Scorecard

Women on Boards

Women on Boards: An Overview

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companies across a range of business sectors. The idea is to encourage corporate governance assessments and action on recommended improvements, with the goal of enhancing company performance and stimulating growth.

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## MIDDLE EAST AND NORTH AFRICA

### **Egypt: Yemen, Iraq Team Up to Share Experiences in Fragile Operating Environments**

**Cairo, January 2-3, 2017**—In a remarkable collaboration given the current challenges in the region, the Yemeni Institute of Directors teamed up to provide on the job training for the staff and faculty of the Kurdistan Institute of Directors. Hosted by IFC in Cairo, members of the Yemeni institute shared their challenges and lessons learned as an institute operating in a fragile and conflict-affected environment.

[Event description](#)

### **Jordan: Advocating Gender Equality on Boards**

**Amman, March 9, 2017**—Women comprise only 15 percent of Jordan's labor force, and the majority of the country's publicly listed firms have no female representation on their boards, according to a recent IFC study. These findings were explored at a conference celebrating International Women's Day, which promotes gender equality and women's empowerment globally. Co-hosted by IFC, the Amman Stock Exchange, and the Jordan Institute of Directors, the conference featured discussions on the vital role of women in the Jordanian economy—the IFC study, which looked at more than 1,200 Jordanian companies, found that those with female directors performed significantly better than those without. Compared to companies with no women on their boards, these firms achieved three times the return on assets and double the return on equity. Other sessions at the conference looked at ways to overcome the hurdles faced by women as they continue along the career path and attempt to break into the ranks of senior management and board. [Press Release](#)

### **Lebanon: Certification Program for Board Directors**

**Beirut, February 15, 2017**—A new certification program is helping to build the governance skills of Lebanon's board directors while standardizing the corporate governance knowledge board members need to steer their companies in the right direction. The Corporate Directors Certification Program, an initiative of IFC in partnership with Excellence in Governance Lebanon and a first for the country, is aimed at board members and senior managers. It will provide these key executives with tools they can use to improve their companies' corporate governance practices.



## Yemen: Helping Yemeni Companies Compete in a Global Market

**Cairo, January 31–February 1, 2017**—Yemen’s business owners are working hard to sustain their companies despite the difficulties their country currently faces. Displaced Yemeni business owners came together from across the region while the conflict continues to learn more about ways to expand their global reach. This highly anticipated workshop, held in collaboration with the Yemen Institute of Directors, focused on strategy, competitiveness, and change. Sessions included a review of case studies on the strategy of “emerging giants”—strong multinationals based in emerging markets—as well as discussions on practical tools that business owners can use as they look toward the future.



## SUB-SAHARAN AFRICA

### Regional: Sub-Saharan Stock Exchanges Share in “Ring the Bell” Events Marking International Women’s Day

**Kigali, March 2 & Nairobi, March 8, 2017**—The Nairobi Securities Exchange and the Rwanda Stock Exchange joined with 43 other stock exchanges around the world in the global “Ring the Bell for Gender Equality” initiative to mark International Women’s Day. As with events at other exchanges, the goal was to raise awareness about the importance of gender equality in capital markets. According to Nairobi Securities Exchange Vice Chairman Bob Karina, the Nairobi exchange is committed to increasing women’s representation on the boards of listed companies. During the Nairobi event, he noted that the exchange has set a 2020 goal to increase by one-third the number of female directors of listed company boards.

At the Rwanda event, IFC’s Country Representative Ignace Mihigo told participants that much work remains to empower more women so they can tap into opportunities. She noted that the effort wasn’t just good for women—it is a smart business and economic strategy for a country that has made great strides in the last decade. The reason? The evidence is clear that companies with women on their boards perform better, with increased profitability, stronger governance, and risk management among other advantages. [Kenya Video](#) | [Rwanda Video](#)

### Côte d’Ivoire and Senegal: Sowing the Seeds of a Better Corporate Governance Culture in West Africa

**Abidjan, February 23–24 & Dakar, February 14, 2017**—Sub-Saharan Africa ranks the lowest on the World Bank’s most recent global





Doing Business index for protecting minority investors. It's not an isolated problem in this region. In West Africa, for instance, knowledge of sound corporate governance practices is relatively low, while the legal and regulatory frameworks are in need of improvement.

Against this regional backdrop, IFC is launching two new corporate governance programs, with the goal to strengthen the overall knowledge base and improve the corporate governance culture in the market. In Côte d'Ivoire, IFC is partnering with the Côte d'Ivoire Institute of Administrators and the African Corporate Governance Network, with funding provided by Switzerland's State Secretariat for Economic Affairs. In Senegal, IFC is partnering with the Senegalese Institute of Administrators. This program will target business and public sector leaders throughout West Africa, with a specific focus on board leadership, diversity, risk, and environmental and social standards. [Côte d'Ivoire Press Release](#) | [Senegal Press Release](#)

### **Kenya: Understanding the New Corporate Governance Code**

**Nairobi, February 2-8, 2017**—During the second phase of a two-part program co-sponsored by IFC and the Capital Markets Authority, directors of listed companies and issuers learned more about the requirements of the new corporate governance code that took effect in March 2017. The first phase, held in November 2016, attracted 80 executives, chief financial officers and company secretaries from listed companies. As the code is implemented, companies will begin to embrace better governance standards, strengthening capital markets, boosting investor confidence and encouraging new investment. [Press Release](#)

### **Nigeria & Sierra Leone: Spotlight on Gender Equality in the Boardroom**

**Lagos & Freetown, March 9, 2017**—As stock exchanges across the continent—and around the world—took time to mark International Women's Day, events in Nigeria and Sierra Leone were designed to echo the call for more gender balance at the top. In Lagos, Nigeria's Securities and Exchange Commission organized a seminar to make the case for greater women's participation in the country's social and economic development. Jointly hosted by IFC's Africa Corporate Governance Program and the Institute of Directors' Centre for Corporate Governance, Women in Management, Business and Public Service, the program explored progress to date, continuing challenges, and potential solutions to improve gender diversity on the boards of Nigerian companies.

In Freetown, women in leadership positions came together for a discussion hosted by IFC to look at ways to overcome gender

## **Shortcuts to help you access information on our website:**

Main Corporate Governance website:  
[www.ifc.org/corporategovernance](http://www.ifc.org/corporategovernance)

Corporate Governance Tools:  
[www.ifc.org/corporategovernance/tools](http://www.ifc.org/corporategovernance/tools)

CG Development Framework:  
[www.ifc.org/corporategovernance/cgdevelopmentframework](http://www.ifc.org/corporategovernance/cgdevelopmentframework)

Investment Services:  
[www.ifc.org/corporategovernance/investments](http://www.ifc.org/corporategovernance/investments)

Latin American Companies Circle:  
[www.ifc.org/companiescircle](http://www.ifc.org/companiescircle)

Publications:  
[www.ifc.org/corporategovernance/publications](http://www.ifc.org/corporategovernance/publications)

Topics:  
[www.ifc.org/corporategovernance/topics](http://www.ifc.org/corporategovernance/topics)

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Regional Advisory Programs:  
[www.ifc.org/corporategovernance/regional](http://www.ifc.org/corporategovernance/regional)

East Asia and the Pacific:  
[www.ifc.org/corporategovernance/eap](http://www.ifc.org/corporategovernance/eap)

Latin American and the Caribbean:  
[www.ifc.org/corporategovernance/lac](http://www.ifc.org/corporategovernance/lac)

Middle East and North Africa  
[www.ifc.org/corporategovernance/mena](http://www.ifc.org/corporategovernance/mena)

South Asia  
[www.ifc.org/corporategovernance/southasia](http://www.ifc.org/corporategovernance/southasia)

Sub-Saharan Africa  
[www.ifc.org/corporategovernance/africa](http://www.ifc.org/corporategovernance/africa)

barriers and increase the number of female board directors and women in senior management. Participants included government officials, regulators, and business leaders. The event was part of IFC's strategy to promote increased gender diversity and inclusion in Sierra Leone, which will, in turn, strengthen the country's economy. [Nigeria Press Release](#)

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## SOUTH ASIA

### **Regional: Bangladesh, India, Sri Lanka Stock Exchanges Ring the Bell for Gender Equality**

**Colombo, Dhaka & Mumbai, March 8, 2017**—Showing their solidarity with women in capital markets around the world, IFC regional staff, market representatives, and female executives rang opening trading bells at stock exchanges in Colombo, Dhaka and Mumbai. As at other exchanges, the events in South Asia were part of the global initiative to highlight the importance of shattering the glass ceiling—and elevating more women to positions of power in the corporate world—in honor of International Women's Day. At the South Asia events, emphasis was on the leading role for stock exchanges in promoting sound corporate governance by improving gender balance in the boardroom and in enhancing women's capacity to fully participate in capital markets. Ring the Bell for Gender Equality is an initiative of IFC, the United Nations, and other partners to highlight the private sector's role in spurring women's participation in the economy. [Sri Lanka Press Release](#) | [India Press Release](#)

### **Bangladesh: Summit Group Turns to IFC for Corporate Governance Knowledge**

**Dhaka, February 2, 2017**—The Summit Group is one of Bangladesh's top companies, a leading conglomerate with interests in shipping, communications, oil and gas, finance and the power sector. In February, the company arranged for a half-day training session for members of its holding company's board and subsidiary boards, conducted by IFC's Corporate Governance team at its headquarters in Dhaka. Sessions focused on corporate Governance frameworks, duties of directors, board effectiveness, and succession planning.

### **India: Keeping Up with Regulatory Changes and Best Practices: Training for Directors**

**Mumbai & Goa, March 3-5, 2017**—Against an ever-changing global backdrop, how can board members stay current? A new program called the Directors' Club, is designed to prepare directors for their board roles, giving participants skills to drive strategy, manage risk,





understand board dynamics and enhance enterprise value. As an accredited certification program, it helps board members cope with the rapid shifts in the global environment, changing regulatory requirements related to board directors and growing demand for higher standards of board leadership. Program sponsors have enlisted IFC support, with IFC's regional corporate governance lead Vladislava Ryabota presenting at the most recent Directors' Club event.

A similar training hosted by the Confederation of Indian Industry–Institute of Quality featured a session led by Ryabota on how investors view corporate governance, with a specific focus on board effectiveness. The intensive three-day program, led by senior executives and governance experts, brought together 23 prominent board members and senior managers in a residential setting to maximize networking and knowledge sharing.

### **Sri Lanka: Are Men in Sri Lanka Ready for Women on Boards?**

**Colombo, January 26, 2017**—Why are there fewer women in Sri Lanka's corporate sector, even as women have achieved prominent leadership positions in the country's professions, academia, and judiciary? This question was Topic A at a Colombo event, part of the Sri Lanka Institute of Directors' Power Evening series.

In his keynote address, Amit Tandon, Managing Director of Institutional Investor Advisory Services, offered a global perspective, sharing data and information about women on boards around the world. He also spoke about his first-hand experience in reforming India's regulations, which now require companies to appoint at least one female board member. Tandon stirred the audience by asking whether Sri Lankan companies had a tendency to stereotype women. He also proposed concrete actions that the country could take to increase the number of women on Sri Lankan boards, such as the mandatory provisions and mentoring programs that have proven successful in India. IFC Country Officer Victor Navaranjan Antonypillai delivered opening remarks at the event.

### **Did you know?**

More than \$2 million in sales revenue generated by partners in MENA due to improved Corporate Governance services based on IFC materials; and 11 laws, codes and regulations enacted by our counterpart regulators in EAP. Learn about our regional programs:



East Asia and the Pacific



Europe and Central Asia



Latin America and the Caribbean



Middle East and North Africa



South Asia



Sub-Saharan Africa

## **HOW GOOD CORPORATE GOVERNANCE FACILITATES INVESTMENT IN MONGOLIA**

**Two Mongolian banks—both IFC clients—explain how improved governance helps them access financing and expand services**

Attracting investment in Mongolia—at least in non-extractive sectors—has been challenging, especially since the country's economic downturn in 2011.

But Mongolian corporations that put good corporate governance practices in place have attracted attention from investors, sometimes resulting in fruitful, long-term partnerships.

Khan Bank, a leading lender to smaller businesses and an IFC client since 2004, attributes over \$120 million of additional investment between 2011 and 2014 to improved corporate governance. Such investments have helped the bank improve its services: it now has more than 500 branches and provides banking services to an estimated 70 percent of the Mongolian population; its total number of customers grew 15 percent to 2.3 million and its asset and loan portfolios increased by 24 percent and 7 percent, respectively, from a year ago. The corporate governance improvements also enabled Khan Bank to sustain a far better performance than its major competitors during challenging times in recent years.

Tenger Financial Group (TFG), another IFC client, reports a similar experience. TFG and its main subsidiary XacBank acknowledge that better corporate governance “played a significant role” in obtaining around \$400 million in new investments between 2011 and 2014. The additional funds enabled XacBank to successfully turn itself

from a microfinance institution into a large-scale commercial lender. XacBank's sound performance and growing reputation helped it obtain funding from eight international finance institutions including IFC and FMO; in turn, XacBank funds the growth of thousands of micro, small and medium enterprises.

Both XacBank and Khan Bank employ thousands of Mongolians, providing steady jobs and sustaining the local economy. In Mongolia, better corporate governance helped a total of five IFC client firms improve performance; three of them managed to access financing of over \$400 million, of which \$177 million was from IFC.

### **Improving Corporate Governance in Mongolia**

Mongolian firms were eager to become more attractive to foreign investors, who more often eyed opportunities in neighboring countries. Better corporate governance – which brings more discipline and transparency to corporate management and decision making – was one way to do that. Few of the top corporations in the country practiced good corporate governance when IFC launched its Mongolia corporate governance project, and none met the standards of international best practices. A big part of the problem was a lack of awareness of corporate governance and limited opportunities to learn about it.

IFC partnered with local institutions to prepare materials in Mongolian on corporate governance and conducted a series of training events led by international experts in the field.



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The project developed seven publications, including a corporate governance guide for family businesses, a board secretary manual, and a corporate governance handbook with model templates. OECD Principles on Corporate Governance were translated and widely distributed in the country.

Five IFC clients received in-depth training and subsequently incorporated more than 25 documents, including a corporate governance code, into their business models to improve their board operational and committee procedures. All clients reported improvement in the board and management's overall commitment to corporate governance, shareholder meetings and board activities, transparency, risk governance, and internal controls.

Broader outreach was achieved by training trainers in local institutions who reached a total of 331 firms and trained more than 2,600 people. IFC helped eight partner institutions build up their capacity to independently provide corporate governance services in the future.

In addition to the training, IFC completed several additional activities: (i) working with the Mongolian Financial Regulatory Commission to develop the nation's corporate governance code; (ii) developing a corporate governance scorecard to help companies track and improve their performance; and (iii) improving legislation and increasing public awareness of corporate governance.

### **Realizing Real Benefits**

The benefits of better corporate governance in Mongolia extend beyond IFC's client base. Mongolia's ranking under the minority investor protection category in the World Bank Group's

Doing Business report improved from 24th in 2009 to 8th in 2016. Doing Business attributes this to strengthened investor protections by increasing the disclosure requirements for related-party transactions. This reflects the corporate governance project's work on disclosure regulation and the new corporate governance code.

Mongolian companies today are much better positioned to improve their corporate governance, raise their productivity, and attract credible business and investment partners. Legislation is more supportive, institutions now have the capacity to provide the necessary training, and world-class materials on corporate governance are available in Mongolian. Corporate governance can give Mongolia an edge as it develops its significant mineral resources and positions itself in international markets.

To learn more about IFC's work in corporate governance, visit: [www.ifc.org/corporategovernance](http://www.ifc.org/corporategovernance).

Japan's Ministry of Finance provided support to IFC's Mongolia Corporate Governance Project between 2011 and 2014.

### **Related Links:**

Fact Sheet: [Attracting Investment Facilitated by Corporate Governance in Mongolia](#)

Website: [East Asia and the Pacific Corporate Governance Program](#)

February 2017

# MEDIA COVERAGE

This section includes links to articles, op-eds, and editorials where IFC's corporate governance group colleagues are quoted/interviewed, are the authors, or relate to IFC CG programs. This material was published in various media outlets around the world. Also featured here are our contributions to reports, white papers, and other documents published by organizations outside IFC. Items are arranged in chronological order and text is in English, unless otherwise noted.

## Colombia

### **Corporate Governance is not a fad, it is a must for SMEs – in Spanish**

(Francisco Prada)  
*El Colombiano*, January 22, 2017

## Ghana

### **KNUST, IFC sign agreement to strengthen corporate governance**

(Joseph Akwasi Kuma)  
*Graphic Online*, February 2, 2017

## India

### **Benchmarking for Stronger Corporate Governance**

(Lopa Rahman)  
*YourStory*, March 13, 2017

## Myanmar

### **IFC, securities regulator join forces to strengthen corporate governance**

(joint statement: IFC and Securities and Exchange Commission of Myanmar)  
*Frontier Myanmar*, March 24, 2017

## Pakistan

### **SECP holds workshop on corporate governance**

(Munib Ansari)  
*The News and Dawn*, March 19, 2017

## Peru

### **A boost to the business sector – in Spanish**

(Fiorella Amorrortu)  
*Universidad de Lima*, March 2017

## Peru

### **Agreement to boost corporate governance in favor of Peruvian companies – in Spanish**

(Fiorella Amorrortu)  
*Gestión (and several other media outlets)*, February 20, 2017

## Regional Sub-Saharan Africa

### **Ensuring Corporate Integrity**

(Roman Zyla)  
*Ethical Boardroom*, Winter edition 2017

## Romania

### **Board balance between men and women improves decision making and performance**

(Sammar Essmat)  
*BR Business Review*, March 8, 2017

## Serbia

### **The Serbian State and its Enterprises: The Tail is Still Wagging the Dog**

(Tony Verheijen)  
*World Bank Opinion (Blog)*, February 28, 2017

## Sierra Leone

### **IFC Promotes Women in Business in Sierra Leone**

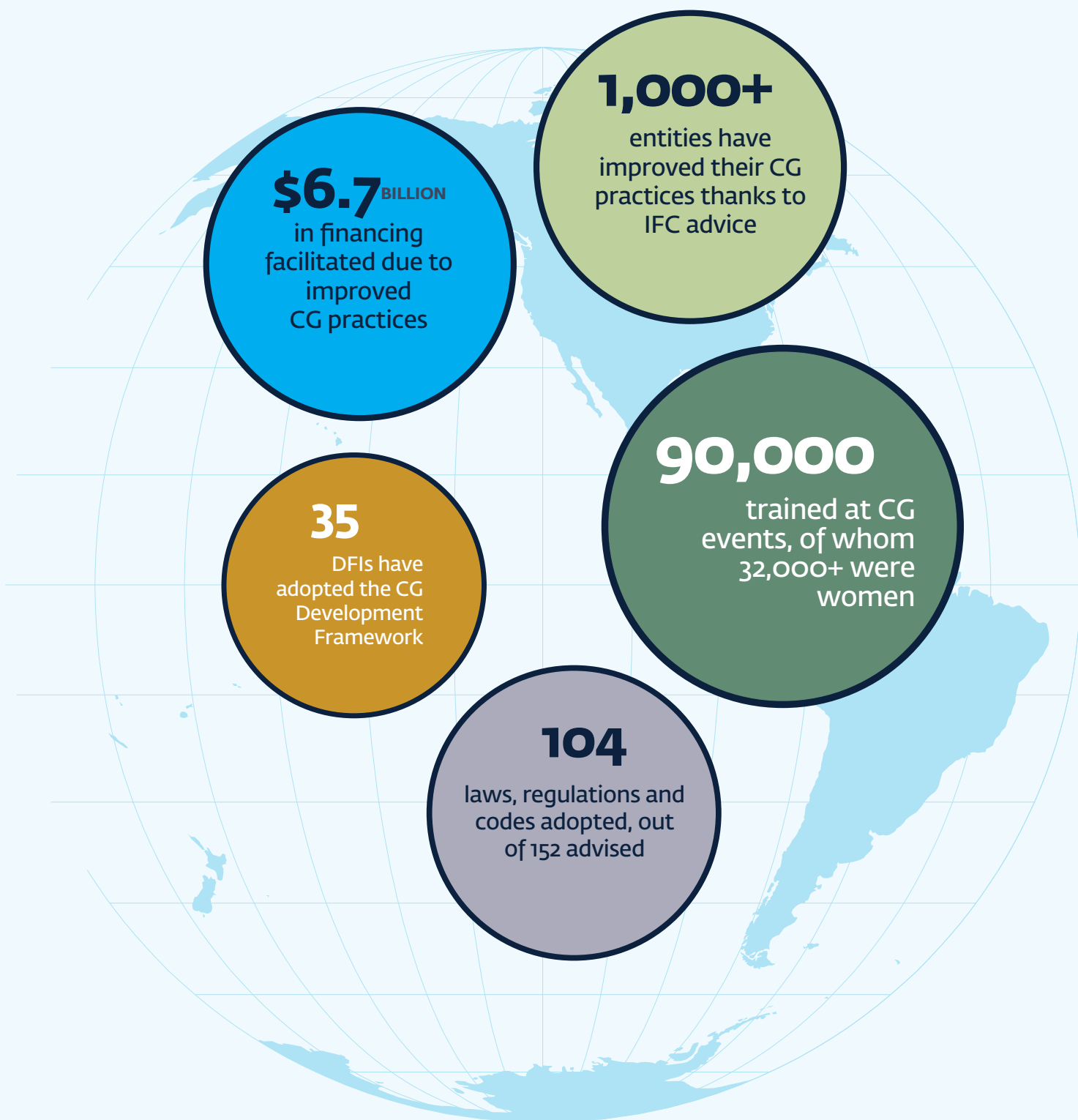
(Chinyere Almona)  
*Awoko*, March 13, 2017



# IFC'S CORPORATE GOVERNANCE PROGRAM

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## In Numbers



# CORPORATE GOVERNANCE TOOLKITS AND MANUALS



## INSTITUTION BUILDING

To build capacity of local institutions to promote CG reforms and good practices in a sustainable manner



## CODES AND STANDARDS/SCORECARDS

To support the improvement of the CG framework and regulatory environment in which companies operate



## BOARD LEADERSHIP

To provide training material that builds on directors' expertise and emphasize practical approaches to leadership



## DISPUTE RESOLUTION

To equip board directors with knowledge and skills to resolve CG disputes and difficult conversations on the board



## MEDIA TRAINING

To promote understanding of good CG practices among reporters



## CORPORATE SECRETARIES

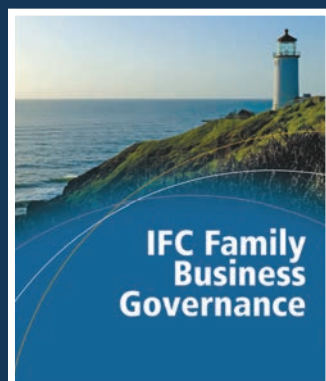
To enhance the corporate secretary's roles, functions, responsibilities, and skills

## FIRM-LEVEL TOOLS FOR CG SERVICES



## BOARD EFFECTIVENESS

To provide guidance, tools and other resources for IFC practitioners to help firms improve board effectiveness



## FAMILY BUSINESS GOVERNANCE

To help IFC CG and investment officers to identify and address basic family business governance issues with their clients



## CONTROL ENVIRONMENT

To help improve the control environment and its components, including the internal audit function, internal control system, risk management and compliance

## METHODOLOGY AND TOOLS



The process of analyzing companies' corporate governance structures, policies and processes applying the relevant set of tools for listed companies, family businesses, financial institutions, funds, state-owned enterprises, and SMEs.

For more information regarding any of these toolkits and manuals, contact Ghita Alderman at [galderman@ifc.org](mailto:galderman@ifc.org)



## REPORTS AND PUBLICATIONS

This section lists reports and publications produced by IFC's corporate governance group and in collaboration with other organizations. Some items are available in different languages and are organized in chronological order by publication date.



Latin American Companies Circle - Recommendations on Ethics and Compliance



Annual Summary 2016 - East Asia and the Pacific Corporate Governance Program

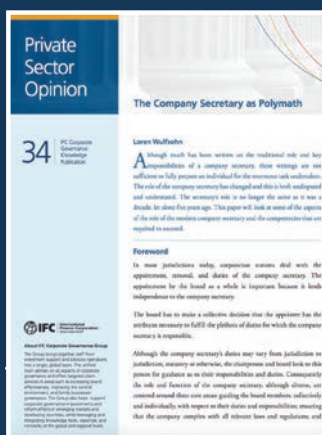


IFC Family Business Governance Handbook

Available in 20 languages

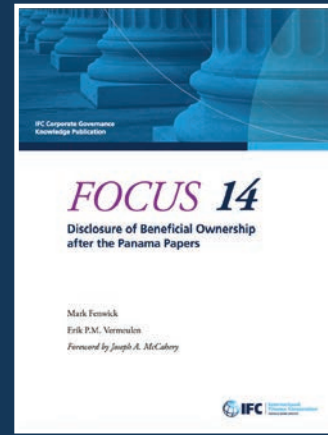


Risk Culture, Risk Governance, and Balanced Incentives

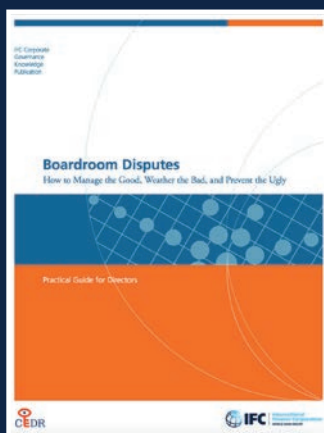


PSO 34: The Company Secretary as Polymath

Available in Spanish

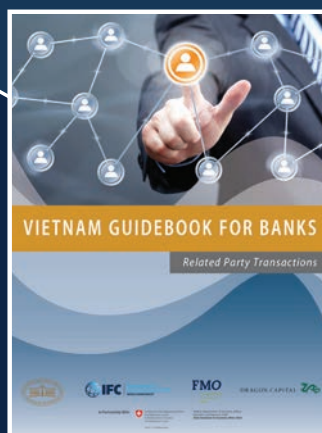


Focus 14: Disclosure of Beneficial Ownership after the Panama Papers



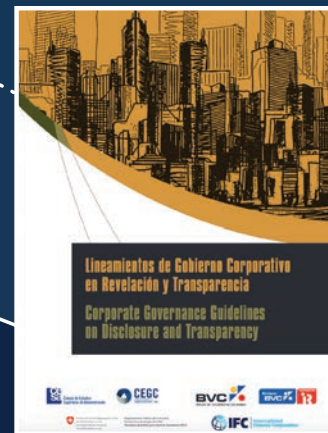
Boardroom Disputes - How to Manage the Good, Weather the Bad, and Prevent the Ugly

Available in Russian

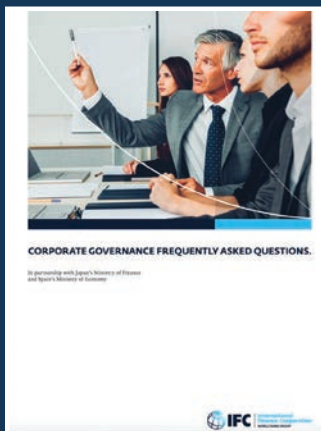


Vietnam Guidebook for Banks: Related Party Transactions

Available in Vietnamese



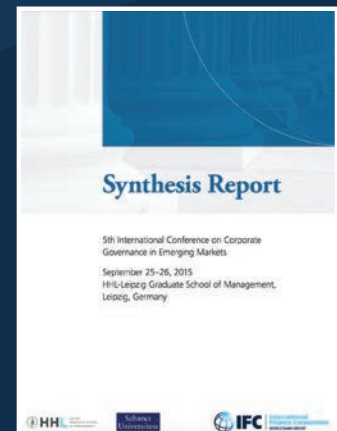
Lineamientos de Gobierno Corporativo en Revelación y Transparencia (Corporate Governance Guidelines on Disclosure and Transparency)



Frequently Asked Questions on Corporate Governance in the Middle East and North Africa



Europe and Central Asia Corporate Governance Training Services



Synthesis Report: 5th International Conference on Corporate Governance in Emerging Markets



From Companies to Markets - Global Developments in Corporate Governance



The Corporate Secretary: The Governance Professional



PSO 33: Leveraging Board Assessment for Sustained Performance

Available in Spanish

► MORE CG PUBLICATIONS



*Creating Markets, Creating Opportunities*

## About IFC Corporate Governance Group

IFC Corporate Governance Group brings together staff from investment support and advisory operations into a single, global team. This unified team advises on all aspects of corporate governance and offers targeted services in areas such as board effectiveness, the control environment, and family businesses governance. We also help assess and support corporate governance improvements and reform efforts in emerging markets and developing countries, while leveraging and integrating knowledge tools, expertise, and networks at the global and regional levels.

For more information about our work, visit:

[www.ifc.org/corporategovernance](http://www.ifc.org/corporategovernance)

For questions and feedback contact

Inna Peoria at [ipeoria@ifc.org](mailto:ipeoria@ifc.org)

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