

CG Updates

Newsletter produced by
IFC's Corporate Governance Group

Feature

Beyond the Balance Sheet

IFC Toolkit for Disclosure
and Transparency

IFC Unveils New Toolkit to Improve Companies' Disclosure and Transparency

May 2018—Strong local capital markets are essential for a thriving private sector. In developing countries, capital markets—many still in their infancy—hold great potential to channel private capital toward priority development needs and help companies obtain long-term financing. [Full story](#)

News

GLOBAL

UK: At Corporate Governance Development Framework Conference, Focus on Implementation

London, March 20-21, 2018—To date, signatories to the Corporate Governance Development Framework have implemented more than 80 corporate governance-related initiatives, including the introduction of corporate governance tools, action plans, client training and collaborations. This notable accomplishment was revealed at the group's annual conference, convened by the Development Finance Institutions Working Group on Corporate Governance and the European Bank for Reconstruction and Development. Signatories to the framework include 35 DFIs that have adopted [IFC's methodology](#) for evaluating corporate governance risks and opportunities for use in their investment processes.

In addition to reviewing the results of the group's annual survey on corporate governance implementation, this year's gathering looked at newly emerging

IFC's Corporate Governance Program

In Numbers

\$7.6 BILLION

in financing
facilitated due
to improved CG
practices

1,200+

entities have
improved their
CG practices due
to IFC advice

35

DFIs have
adopted the CG
Development
Framework

121

laws, regulations
and codes
adopted

110,000+

participants
trained at CG
events, of whom
30,000+ were
women

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 2018

governance challenges, such as cybersecurity. To address the risks posed, speakers recommended embedding threat intelligence systems into daily operations and selecting nominee directors who are cyber-savvy. Other sessions explored the U.K.'s Stewardship Code and the strategies deployed by investment funds such as Aberdeen and Blackrock to improve the governance practices of their client companies. Conference attendees also affirmed their work plan going forward, with new initiatives such as engaging with asset management funds and developing corporate governance guidance for project finance transactions. The group's next meeting will take place at IFC in Washington D.C. in the spring of 2019. [Website](#) | [Fact sheet](#)

Global: IFC, Record Number of Stock Exchanges Ring the Bell for Gender Equality

March 2018—For the fourth consecutive year, IFC and over 60 stock exchanges around the world “Rang the Bell for Gender Equality” to celebrate International Women’s Day 2018—a partnership that highlights how the private sector can spur women’s participation in the global economy and promote sustainable development. Every year, the list of participating financial institutions grows, and this year was no exception: more than 60 stock exchanges and other institutions marked the moment with opening and closing bells, as well as panel discussions, presentations and other programs.

The events raise awareness about the business case for women’s economic empowerment and the opportunities for the private sector to advance gender equality and sustainable development. Participants are encouraged to make commitments to improve gender equality in their countries, diversity in senior management and on the boards of directors, develop more gender-friendly policies and improve transparency on them.

Press release: [English](#) | [Arabic](#) | [Spanish](#) | [Portuguese](#) | [Global Photo album](#)

UK: Beyond the Balance Sheet - IFC Unveils Disclosure and Transparency Toolkit at Exchange

London, January 24, 2018—At a high-level [roundtable](#) convened by the London Stock Exchange Group, key players in international financial markets and development finance learned more about IFC’s recently published [Disclosure and Transparency Toolkit](#). Co-hosted by IFC in collaboration with the UN Sustainable Stock Exchanges Initiative, the program provided an overview of the toolkit with a focus on Environmental, Social and Governance (ESG) integration, disclosure, and transparency in emerging markets.

Participants included more than 70 representatives of international reporting frameworks, standard setters and development finance institutions, as well as investors, asset managers, and investor associations. Others in attendance included representatives from 15 emerging market stock exchanges and regulatory authorities, along with subject-matter experts and members of the IFC Corporate Governance Private Sector Advisory Group.

VIDEOS



IFC Sustainability Webinar: Navigating Stereotyping and Unconscious Bias in the Workplace



“We Are” Women on Boards in Sri Lanka



Strengthening Corporate Governance in Fragile and Conflict-Affected Countries



Highlighting the Value of Sustainability for Business

► MORE VIDEOS

The discussions focused on the needs of today's investors for ESG disclosure, global trends in sustainability reporting regulation and policy, and platforms for stock exchanges and regulators to address sustainability. Attendees provided feedback on IFC's approach to governance of environmental and social issues in emerging markets and on the new toolkit.

One session of note explored the stock exchange and regulatory perspective on ESG disclosure. During this program, participants received practical advice on building sustainable regulatory frameworks, using techniques such as codes, listing rules, and ESG reporting guidelines.

Participants said that they welcomed the publication of the toolkit, which would help guide their efforts to set up such frameworks in their home markets. The toolkit will support their education and training initiatives, as well as offer direction on producing locally adapted disclosure guidance, preparing annual reports and developing ESG disclosure and other listing requirements. [Toolkit](#) | [Roundtable Report](#) | [London Stock Exchange Group website](#) | [Photo album](#)

EAST ASIA AND THE PACIFIC

Myanmar: New Institute of Directors Promotes Good Corporate Governance Practices

Yangon, March 21, 2018—Hailed as a significant step in Myanmar's ongoing reforms, the Myanmar Institute of Directors—the country's first organization devoted to improving corporate governance practices—opened its doors at a gala event in March. More than 100 prominent business leaders turned out for the launch. Supported by IFC and the governments of Australia and the United Kingdom, the institute is led by a strong board, comprised of CEOs, regulatory heads, and other market players. Market demand for the institute's offerings, such as director training, is strong, as measured by the institute's fully enrolled inaugural director training, which kicked off shortly after the launch. U Aung Zaw Naing, the institute's chairman said, "MloD will play a critical role in addressing the training needs of board directors." MloD will join IFC's global network of corporate governance institutes.

[Press release](#) | [Myanmar Institute of Directors website](#) | [Op-ed by Vikram Kumar](#)

Indonesia: Educating Future Business Leaders on Value of Corporate Governance

Jakarta, March 3, 2018—Embedding a culture of good corporate governance into the business mainstream requires education—not just for current business executives but for future leaders. An early March half-day workshop convened by the IFC CG project in Indonesia was designed



to do just that. Aimed at the University of Indonesia's business students and economics and business faculty, the program highlighted the role of institutional investors and capital market intermediaries in promoting good corporate governance. In a panel discussion that followed, attendees—including nearly 90 students—participated in an animated give-and-take about the ways in which institutional investors' emphasis on corporate governance can influence the governance of their investee companies.

Myanmar: Benchmarking Companies' Corporate Governance Practices

Yangon, January 16-17 2018—A two-day conference and workshop brought together many Myanmar company executives keen to learn more about best corporate governance practices and how their firms' governance performance measure up against others in the country and regionally. The event, co-hosted by the Myanmar Securities and Exchange Commission, the Yangon Stock Exchange, the Directorate of Investment and Company Administration, and IFC aimed to encourage private sector participation in the new Myanmar Corporate Governance Scorecard. The initiative involves benchmarking the corporate governance practices of Myanmar companies based on [IFC's methodology](#) to assess current governance status and uncover market gaps. This will help create a framework for future policy discussions and corporate governance developments. Conference participants heard from IFC corporate governance experts and other speakers about the value of good governance, with a focus on the importance of a strong board, equitable treatment of shareholders, and thorough disclosure and transparency.

EUROPE AND CENTRAL ASIA

Kazakhstan: Year-Long Effort Leads to First-in-Region Adoption of ESG Reporting Standards

Almaty, March 14, 2018—In a first for the Eastern Europe and Central Asia region, the Kazakhstan Stock Exchange has approved a methodology for ESG reporting, which now becomes the standard for listed companies. While voluntary for the time being, these reporting requirements will become mandatory beginning in 2020. The adoption of the reporting standards is the culmination of a year-long effort, initiated by the stock exchange. The work brought together IFC's ESG experts and stock exchange representatives, who developed a document customized to the Kazakh market but aligned with [IFC's Performance Standards](#) and other international standards. It is hoped that these region-leading efforts will set an example and encourage regulators in other countries to heighten their focus on ESG.

Did you know?

The firm-level advice provided by IFC Corporate Governance Group across the 6 regions we work in, has helped companies access more than \$7.6 billion financing, including \$1.7 billion from IFC.



East Asia and the Pacific



Europe and Central Asia



Latin America and the Caribbean



Middle East and North Africa



South Asia



Sub-Saharan Africa

Georgia: Georgian Stock Exchange Joins Sister Exchanges to Ring the Bell for Gender Equality

Tbilisi, March 7, 2018—For the first time ever, the Georgian Stock Exchange participated in the global event known as “Ring the Bell for Gender Equality” to mark International Women’s Day. The Tbilisi event highlighted how empowering women can help achieve higher productivity in private companies, ultimately supporting the economy and job creation, raising incomes, and promoting development. The program was co-sponsored by IFC, the Norwegian Ministry of Foreign Affairs, UN Women, the Global Compact Network Georgia, and a local non-profit—the Civil Development Agency. It attracted more than 70 representatives of private sector, government, and international institutions. [Press release](#) | [Global photo album](#)

Tajikistan: Improving the Supervision of the Banking Sector

Dushanbe, February 15, 2018—With a stated priority of improving the corporate governance of Tajikistan’s financial sector, the National Bank of Tajikistan organized a conference exploring governance opportunities and challenges that attracted nearly 100 participants, representing the senior leadership of over 50 financial institutions. Convened in partnership with IFC and the national bank’s intermediaries, the program explored ways to enhance governance in this critical sector of the Tajik economy. In his remarks to participants, national bank chairman Jamshed Nurmahmadzoda said, “One of the effective ways of building an efficient corporate governance system is through improving the activities of the national bank’s supervisory board [which oversees banks] and its relationship with the executive boards of banks and microfinance institutions.” He added that stronger corporate governance can improve the stability and reliability of the nation’s financial system and that corporate governance will factor into upcoming revisions of current banking laws and regulations.

LATIN AMERICA AND THE CARIBBEAN

Latin America and the Caribbean: Ensuring the Independence of Independent Directors

March 19, 2018—[A new paper](#) co-authored by IFC’s Oliver Orton and Harvard Law School’s Aurelio Gurrea-Martinez highlights potential weaknesses in the current approach for the selection and dismissal of independent directors in Latin America, including the lack of trust in the system. Given the power of the controlling shareholder in the appointment and dismissal process, the ability of these directors to remain truly objective and independent may be questionable, the authors say. It’s the case even in situations where the director’s qualifications meet the requirements imposed by outside investors—particularly overseas investors in emerging markets—legislation, listing rules or corporate governance codes. This lack of trust in the system,



along with the often-limited transparency associated with the selection of such directors, could make it more difficult for Latin American companies to access finance. Improving the situation could unlock investment in the LAC region and assist in the development of the capital markets, the authors suggest. The paper offers several solutions to address the challenges. (In Spanish). [Paper](#)

Peru: Annual Meeting of Corporate Governance Institutes Focuses on Regional Cooperation

Lima, March 13—The Latin American Network of Corporate Governance Institutes (IGCLA by its acronym in Spanish) convened its annual meeting with a full day of discussions, and networking. Co-hosted by Universidad de Lima's Corporate Governance Center and IFC, the meeting attracted representatives from institutions in Argentina, Brazil, Colombia, Costa Rica, Ecuador, Panama and Peru. Focus was on future plans and new opportunities for enhancing cooperation and information exchange, as well as the introduction of new members and the development of joint initiatives. A key theme throughout the day was how to ensure the long-term sustainability of corporate governance institutes. Participants eagerly shared experiences and brainstormed new ideas and approaches that could be introduced to the Latin American market. [Video](#)

Latin America and the Caribbean: Exchanges Across the Region Ring the Bell for Gender Equality

Buenos Aires, Argentina; Santiago, Chile; Bogota, Colombia; Panama City, Panama; Lima, Peru, March 2018— Five stock exchanges across Latin America and the Caribbean participated in this year's "Ring the Bell for Gender Equality" events to mark International Women's Day. The events supported by IFC and global partners attracted hundreds of participants, with a unified call to appoint more women to the boards of listed companies in the region and to increase the number of women in leadership positions, while raising awareness of the pivotal role the private sector can play in advancing gender equality.

[Full story](#) | [Global photo album](#)

Peru: At Tourism Industry Conference, Spotlight on Good Corporate Governance

Lima, February 27, 2018—At the XIV National Tourism Congress corporate governance was on the agenda. With an overarching theme of leadership, this prestigious conference for a key industry sector featured presentations by IFC's corporate governance experts on the value of good governance in improving tourism companies' internal dynamics as well as their external relationships—with suppliers, customers, competitors, and the state. Organized by the Peruvian Chamber of Tourism (CANATUR), the conference also included sessions highlighting the role of company leaders in identifying management styles, refocusing decision-making processes, and strengthening control systems.



MIDDLE EAST AND NORTH AFRICA

Pakistan: Empowering Women, Boosting Women's Employment, and Shattering the Glass Ceiling

Karachi, March 14, 2018—Female labor force participation in Pakistan remains much lower than in countries with similar income levels, but efforts are underway to narrow this gap. As part of its on-going initiative to boost women's employment and increase the number of women on boards and in senior management, the Pakistan Business Council partnered with IFC on a day-long conference to highlight the unique workplace challenges women face. Presenters included CEOs, senior policymakers, and activists, who highlighted issues such as lack of transport, limited child care options, and biased work environments. They also shared examples of companies that have successfully navigated the issues to improve the gender balance of their workforces. Other sessions explored the impact of the country's recently updated corporate governance code, which now requires listed companies to appoint at least one female director. Members of the prestigious business council include 60 of Pakistan's largest companies.

Jordan, Egypt, Pakistan: Ringing the Bell across MENA for Gender Equality

Amman, Cairo, Karachi, March 8, 2018—In a region that lags the rest of the world in the number of women in senior business leadership positions, the participation of three stock exchanges in events designed to promote gender equality is notable. The stock exchanges of Egypt, Jordan, and Pakistan all held "Ring the Bell for Gender Equality" events to mark International Women's Day this year, with the support of IFC. While this was the fourth year for Egypt's participation, it marked the first-ever involvement of Pakistan's exchange, demonstrating the growing momentum for gender equality in the private sector. The considerable positive publicity surrounding the events meant that the message is resonating—an important development, given the key role stock exchanges play in setting standards and shaping companies' behavior.

Press releases: [Jordan](#) | [Egypt](#) | [Global photo album](#)

Iraq: Landmark Agreement to Improve Financial Institutions in Fragile and Conflict-Affected Countries

Baghdad, March 2, 2018—Iraq has one of the most underdeveloped banking systems in the Middle East and North Africa region. The complex challenge of building this foundational industry sector requires focus on multiple issues. Chief among them is strengthening the central bank's environmental, social and corporate governance standards, which, in turn, will bolster the entire financial sector and help attract more investment. In March, an important IFC-led program brought together senior managers of the Iraqi Central



Bank for training on ESG standards. The event was part of an ambitious, on-going, two-year initiative to educate all of the central bank's key managers as well as all board directors of the country's banks on the critical nature of strong ESG policies. Topics covered in the sessions included understanding the unique nature of governance in the sector, optimal board composition, and risk management best practices. [Press release](#)

South Asia

Nepal: Building the Knowledge Base on the Value of Effective Board Leadership in the Banking Sector

Kathmandu, March 27-29, 2018—South Asia's banking sector figures prominently into the region's plans for growth and development. Good bank corporate governance, including strong and effective boards, is a fundamental aspect of this blueprint for the future. At a three-day, high-level, train-the-trainers event, top academics, regulators, business leaders, and senior banking professionals from across the region built their corporate governance skills and learned more about how to share their knowledge in a training setting. Organized by IFC, in association with Nepal's National Banking Institute, a prestigious national banking academy, the program drew a select group of more than 20 participants from Bangladesh, Bhutan, India, and Nepal, representing a range of institutions, such as India's Institute of Corporate Affairs and Association of Independent Directors, Bangladesh's central bank, and the boards of several of Nepal's top commercial banks. The goal of the interactive training was to improve participants' understanding of bank governance and the vital role of banks in promoting economic growth and sustainability. They also developed their experiential adult learning and training skills, while sharing bank governance and leadership experiences with each other.

India: Companies Show Improvement in their Corporate Governance Performance

Mumbai, February 20, 2018—In 2017, India's top companies showed improvement in their corporate governance performance compared to 2016. According to a benchmarking report jointly produced by IFC, the Bombay Stock Exchange and Institutional Investor Advisory Services, Indian firms took positive steps over the last year, such as appointing more female directors, facilitating shareholder participation and providing better disclosure. The [Corporate Governance Scorecard 2017](#) looked at 100 listed companies and compared their performance on various indicators to data from the previous year. The goal is to increase transparency and provide confidence to investors—part of IFC's commitment to support companies globally by strengthening governance structures and improving disclosure so they can attract more investment. The results of the report were announced at the Bombay Stock Exchange at an event that attracted more than 60 high-level representatives from investment

PRESS RELEASES

Fiji

Pacific Corporate Governance Institute Open for Business

Global

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

[Arabic](#) | [Spanish](#) | [Portuguese](#)

Local Ring the Bell for Gender Equality Press Releases

[Egypt](#) | [Fiji and Australia](#) | [Georgia](#)
[Indonesia](#) | [Jordan](#) | [Mongolia](#)
[Myanmar](#) | [Philippines](#) | [Romania](#)
[Sri Lanka](#)

Iraq

IFC and Central Bank of Iraq to Strengthen Corporate Governance in the Banking Sector

Myanmar

Myanmar Launches Institute of Directors to Boost Corporate Governance, Provide Board Training

IFC Launches New Initiative to Support Women's Businesses in Myanmar's Inle Region

IFC, Regulators Assess Corporate Governance Practices of Myanmar Firms to Raise Standards

Philippines

Traditional Gender Roles May Explain Low Participation of Women in Philippine Boardrooms, New ICD Study Reveals

Vietnam

IFC Helps Vietnamese Microfinance Lenders Boost Their Governance and Expand Services for Micro-Enterprises

banks, institutional investors, listed companies, and media outlets. Multiple speakers highlighted the value of the report for companies and investors alike. [Report](#)

Sri Lanka: New Tool Helps Banks Assess Governance Risks of Small Business Customers

Colombo, February 6, 2018—In a country where the private sector is comprised mostly of smaller businesses, the ability of such companies to access financing is critical to driving economic progress. But banks often use corporate policies and procedures in the analysis of SME loans. Because they may not meet the requirements of such policies, many of these loans get declined. In acknowledgement of this problem, Sri Lanka's Institute of Bankers partnered with IFC on a program designed to help bankers get better at assessing the governance risks of their SME customers. During the day-long workshop, more than 30 bank loan officers were introduced to IFC's new suite of [SME corporate governance diagnostic tools](#) and learned how to use the tools to assess their customers' governance risks. The hope is that, armed with these new skills and supported by the highly targeted diagnostics, Sri Lankan bankers will be able to make more informed decisions about loan quality and—ideally—enable more growing SMEs to obtain the financing they need. The event represented IFC's first partnership with the institute, which plans to organize similar programs in the future.

India: IFC, Indian Government Agree on New Initiative to Build Pipeline of Female Board Directors

Delhi, January 30, 2018—A cooperative agreement between IFC and the Indian Institute of Corporate Affairs is aimed at supporting multi-pronged initiatives including independent board directors and training promising female candidates for board positions. The ultimate goal is to elevate the overall corporate governance practices of the nation's companies, and efforts aimed at independent and women directors will contribute to achieving this goal. The institute is autonomous, but works under the umbrella of India's Ministry of Corporate Affairs. Activities under the agreement include research, advocacy, and training. Several officials attended the signing ceremony, held at the ministry of corporate affairs.

Sub-Saharan Africa

Kenya: Masterclass on Corporate Governance Code

Nairobi, March 15-16, 2018—At a two-day masterclass for board directors, senior executives and shareholders co-hosted by Scribe Services and IFC, participants learned more about their governance responsibilities as specified in Kenya's Corporate Governance Code, which was enacted in 2016. The

Latest IFC corporate governance fact sheets by topic

UPDATED

Corporate Governance
Development Framework

NEW

Disclosure and
Transparency Toolkit

UPDATED

Fragile and Conflict-Affected
Situations

Latin American
Companies Circle

UPDATED

Small and Medium Enterprises

UPDATED

Women on Boards and in Business
Leadership

View more fact sheets:

ifc.org/corporategovernance/topics

program featured a detailed exploration of several aspects of the code along with governance topics such as board effectiveness, rights of shareholders, ethics and social responsibility, risk management, internal controls, and disclosure. The class was designed to educate these key influencers so that they could understand more about their role in improving their companies' corporate governance practices, board functioning, and control environments.

Nigeria: On International Women's Day, Focus on Women's Purchasing Power

Lagos, March 8, 2018—The Nigerian Stock Exchange joined with over 60 sister exchanges around the world to mark International Women's Day by co-hosting "Ring the Bell for Gender Equality" events, in collaboration with IFC. This year, with new studies estimating women's global purchasing power at around \$20 trillion, the Lagos events featured discussions on the vital role of women in the Nigerian economy. Presenters also explored ways to overcome the challenges women face in the workplace as they continue along their career paths and strive for promotions into senior management and the boardroom.

Ghana: Toward Sustainable Growth for Ghana's Smaller Businesses

Accra, February 7-8, 2018—Despite some economic challenges, Ghanaian business owners are working hard to grow their businesses. IFC's CG team in Ghana—together with the Association of Ghana Industries—is giving them tools that will help. At an Accra workshop for family-owned, small- and medium-sized firms, participants learned about how improved corporate governance could lead to stronger businesses and more sustainable growth. Focus was on competitiveness, strategy, and change—as well as on practical steps companies can take to enhance their operations. In a post-event survey, many participants said that they had gained valuable knowledge. Several indicated interest in additional programs on corporate governance.

In the next CG Updates Newsletter

April-June 2018

New and improved topic websites including Microfinance Institutions, Small and Medium Enterprises, State-Owned Enterprises, and Women on Boards and in Business Leadership.



Bells Ring at Stock Exchanges Around the World to Promote Gender Equality

For the fourth consecutive year, IFC, global partners and stock exchanges around the world participated in the “Ring the Bell for Gender Equality” initiative to celebrate International Women’s Day 2018—a partnership that highlights how the private sector can spur women’s participation in the global economy and promote sustainable development.

More than 60 stock exchanges and other institutions marked the moment with opening and closing bells, report launches, conferences, as well as panel discussions and other programs.

Studies show that female talent is among the least utilized economic and business resources around the world. Making even small inroads in closing the global gender gap could quickly yield strong results, with the potential to increase global gross domestic product by \$5.3 trillion over the next seven years according to a [2017 report](#) from the World Economic Forum.

Participating organizations are encouraged to prioritize diversity in their own corporate structures by implementing gender-friendly workplace policies; developing female-oriented investment products; reporting to shareholders on diversity objectives, policies, and practices; and increasing the number of women on boards and senior leadership.

IFC’s leading role part of broader effort to promote diversity at the top

The diversity effort requires a multifaceted approach, to get at all the factors that are preventing more women from ascending to corporate leadership positions. That’s why IFC is stepping up its work with stock exchanges to improve diversity in listed companies. IFC is also working to promote the entry of more women into the workforce and ensuring access to capital markets for women entrepreneurs.

Events reflect the diversity of markets and unique country conditions

The variety of this year’s Ring the Bell events reflected the diversity of the markets themselves. In Sri Lanka,



IFC and the Colombo Stock Exchange launched a [short film](#) and a handbook with profiles of more than 140 women directors of listed companies.

In Uganda, promising female high school students rang the exchange bells in a nod to the importance of girls’ education—and the potential contributions they stand to make as Uganda’s economy grows. In Ethiopia, despite a national state of emergency, on-going political turmoil, and the fact that the country does not yet have a stock exchange, the Association of Women in Boldness staged a bell ringing event, with support from IFC.

Studies on board gender diversity were launched in [Argentina](#) and the Philippines, and in Peru four female cabinet ministers participated in their country’s bell ringing event. Peru’s minister of women’s affairs indicated that closing the gender gap is a matter of rights and productivity. Gender equality also requires equal treatment of women and men in the workplace, which includes equal pay for equal work, and the sharing of parental responsibilities, she said.

In the Middle East and North Africa, the stock exchanges of Egypt, Jordan, and Pakistan all held “Ring the Bell for Gender Equality” events also with the support of IFC.

>Full story
>Global photo album
>Video
>SSE Website

March 2018

MEDIA COVERAGE

This section includes links to articles, editorials, and op-eds where IFC colleagues are the authors or have been quoted or interviewed about IFC corporate governance 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 alphabetical order and text is in English, unless otherwise noted.

Jordan

IFC & Amman stock exchange Ring the Bell for gender equality (in Arabic)

(Dalia Wahba)

Roya News TV, March 12, 2018 (video)

India

Corporate governance is in the interests of companies as it enhances their image, acceptability and profitability

(Jun Zhang)

India CSR, January 30, 2018

India

Good corporate governance always pays off

(Vladislava Ryabota)

Forbes India, February 22, 2018

India

India Inc. improves corporate governance standards

Forbes India, February 21, 2018

Kazakhstan

Kazakh medical organization should incorporate corporate governance policies, says health minister

(Adalyat Abdumanapova)

The Astana Times, February 7, 2018

Kyrgyz Republic

Companies of tomorrow (in Russian)

(Yuliya Kholodkova)

New Faces, February 16, 2018

Latin America and the Caribbean

Moving toward a credible system of independent directors in Latin American listed companies (in Spanish)

(Oliver Orton, joins Aurelio Gurrea-Martinez)

SSRN, March 22, 2018

Lebanon

A new leading program "Women on Boards" launched in MENA

(Saad Sabrah, Yehia El Hussein, Brenda Bowman, Loty Salazar)

Communicate, January 4, 2018



Liberia

Chamber, IFC begins second women's confab today

Daily Observer, March 21, 2018

Mexico

Why Companies should Adopt Corporate Governance (in Spanish)

El Financiero, February 20, 2018

Myanmar

Foreign links enhance Myanmar transparency

(Val Bagatsing)

The Nation, March 30, 2018

Nigeria

FRC to issue new corporate governance code this Year

New Telegraph, January 19, 2018

Peru

Delegados de la IGCLA del IFC realizaron reunión anual en la Universidad de Lima (in Spanish)

(Oliver Orton, Jorge Echeandia, Francisco Prada, Magdalena Rego)

Universidad de Lima website, March 13, 2018

Peru

Breves pautas de gobierno corporativo para las empresas de propiedad del estado (in Spanish)

(Jorge Echeandia)

Stakeholders Sostenibilidad No. 87, April 3, 2018

Philippines

More women at work makes 'good business sense,' IFC Says

(Val Bagatsing)

ABS-CBN News (TV interview), March 14, 2018

Sri Lanka

Breaking into the boardroom

(Carmen Niethammer)

Echelon, March 20, 2018

United Kingdom

London Stock Exchange welcomes IFC

(Ethiopia Tafara)

LSE website, January 23, 2018

STRENGTHENING GOVERNANCE DURING CRISIS

Five reasons to prioritize corporate governance in fragile and conflict-affected markets

Of all the critical needs facing countries dealing with fragility, violence, or conflict, you may not expect corporate governance to top the priority list. But, in fact, the opposite is true.

Nowhere is the link between lack of private sector growth, investment, and economic opportunity and extreme poverty more direct than in nations torn by conflict. Indeed, many of the world's poorest countries are also those affected by conflict or violence. In these very tough places, good governance practices can form the front line of defense, helping companies stay in business and enabling pushback against an all-too-frequent economic spiral downward into extreme poverty.

Of course, corporate governance cannot fix every problem faced by these nations. But it can make a real difference in preventing further economic destruction and setting a solid course for recovery and growth. Here are five reasons why.

1. Corporate governance helps companies manage through crisis

Studies have shown that strong and experienced boards, following clearly-defined protocols, are better positioned to make good decisions. At a time when speed is of the essence, such as when a country is in the grips of open conflict, empowered boards and capable leaders can act quickly and decisively, sustaining the business, even in the midst of the worst. Once the conflict subsides, well-governed companies stand a better chance of survival, with a more rapid return to normal business operations.

One such Yemeni firm has shown remarkable resilience despite the on-going civil war. Helmed by strong leaders and a strategically focused board, the company expanded into Dubai as projects dried up at home. Not wanting to pull out of Yemen altogether—which would have meant a loss of precious jobs in a nation already burdened with high unemployment due to the war—the company retained its Yemeni team. This resulted in a competitive advantage for the firm: the lower cost of the company's Yemeni services meant that they could offer lower prices to the Dubai market, thus attracting new clients and sustaining the firm, even as business opportunities in Yemen declined.

2. Corporate governance strengthens the institutions that are critical to rebuilding fractured economies

Corporate governance underpins sound legal and regulatory infrastructures, which are foundational aspects of well-functioning markets. Strengthening these institutions helps jump-start market recovery, enabling new investment, economic growth, and job creation. They also contribute to the overarching goals of stabilizing the political environment and restoring a sense of normalcy for society at large. The International Finance Corporation's (IFC) work in Sierra Leone bears this out.

A country that had started on a path to recovery following the end of the civil war in 2002, Sierra Leone faced devastating economic setbacks in 2014—the combination of the drop in global commodity prices and the Ebola outbreak. Here, we are working with the country's Corporate Affairs Commission to draft a national corporate governance code. A collaborative effort that involved key market players, regulators, and business leaders, the code is designed to increase regulatory control, enhance compliance, boost investor

confidence, and encourage more investment. Of note: the broad-based support from among those who would be most impacted by the new guidance was a good indication of the appetite for sound corporate governance as a tool to enhance economic growth.

As with Sierra Leone, we have found that companies in other fragile or conflict-affected countries are eager for broader institutional improvements. Such was the case in Kosovo, which has made real progress in the years since the end of armed conflict, although significant gaps in the nation's regulatory structure remain. For one company, these gaps meant that it could not legally diversify to the extent that would support of future growth plans. IFC worked with company leaders to devise an internal corporate governance solution that became a good work-around. We are hopeful that the positive outcome will trigger action on legislative fixes.

3. Corporate governance reduces the risk of political interference in extremely volatile environments

In fragile and conflict situations, one cannot overestimate the intensity of political pressure faced by companies. Pressure comes from multiple sources, including local and regional power players and national level influencers. Companies in these markets cannot afford to completely disassociate from the political forces. But they can mitigate the pressures. Bringing together a strong and experienced management team gives them access to outside market leaders and influencers who are not affiliated with a political party. Adding capable and independent directors can balance out undue political influence on other board members, who may have ties to the ruling party or other conflicting interests.

Businesses in challenging markets are coming to understand that such changes can help them navigate difficult political waters. In Iraq, for instance, we have seen demand grow for professional directors. The recent launch of the country's first independent

institute of directors—created with IFC's support—is helping to meet this demand, providing training for potential directors and building a database of qualified candidates.

4. Corporate governance gives companies a path out of the grey economy

Opacity is a huge challenge in fragile and conflict markets. Following the money trail of capital accumulated during wartime can frequently lead nowhere. Companies that have found ways to operate in the midst of war or upheaval—a time when formalized market structure and adherence to the rule of law are often among the casualties—may not be able to provide a completely clear or historically accurate asset picture.

For potential investors, this lack of transparency raises major red flags. In general, investors are reluctant to provide financing for a firm that may have accumulated capital through uncertain means. Putting in place a strong information disclosure policy, along with other transparency safeguards, sends a positive message to investors that the company intends to address the information gaps going forward.

5. Most importantly, corporate governance sends a powerful message to a demoralized country and the outside world

Beyond the news stories that rightfully call attention to the human cost of conflict and fragility, the underreported reality in many unstable places is that life goes on. Companies and financial institutions continue to operate, albeit in severely curtailed form. Stabilizing such firms is a critical lifeline for countries in trouble. Adherence to governance policies and procedures offers direction for company boards and executives who may have suddenly ascended to leadership as others with more experience depart for safer circumstances.

A systematic approach to corporate governance can instill a much-needed sense of business-as-usual. Meanwhile, clear protocols enable flexibility to quickly change course at a time when the external environment is definitely not business-as-usual.

When the immediate crisis is over and the economy begins to show signs of life, companies that have attended to governance fundamentals can move quicker to rebuild. They have in place tactics and strategy along with leaders who can move quickly to implement such plans. They also have greater ability to comply with new laws and regulations that will form the foundation of a revitalized economy.

Because IFC's work takes us to some of the most difficult markets in the world, we understand the challenges faced by companies just trying to survive. We have experienced first-hand how difficult it is to sustain progress. But we also have been heartened by the perseverance of our clients, such as a prominent Afghan financial institution that is pushing ahead with major corporate governance improvements despite so many other conflicting priorities. The reason? The bank is hoping to attract foreign investors who might otherwise not want to engage given the instability of the market. Corporate governance is a key to unlocking that door.



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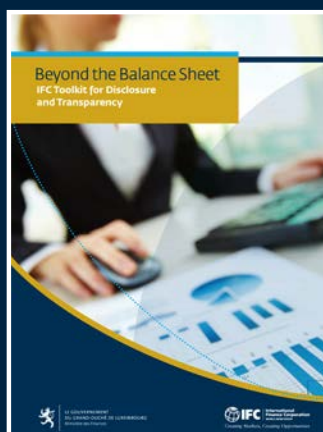
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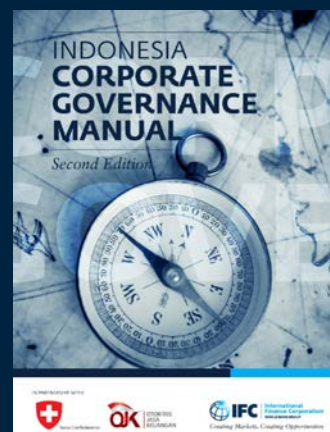
This section lists reports and publications produced by IFC's corporate governance group and in collaboration with other organizations. Some items are available in different languages and are organized in chronological order by publication date.



PSO 41: Stress Testing Corporate Governance



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Indonesia Corporate Governance Manual, 2nd Edition



CG Focus Indonesia, Issue 5: Improving Information Disclosure



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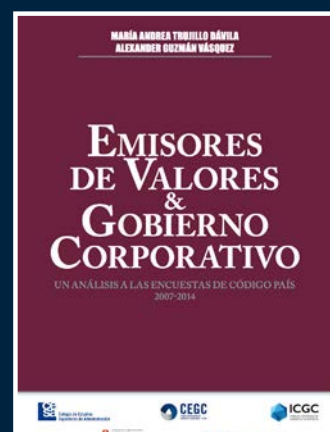
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To build capacity of local institutions to promote CG reforms and good practices in a sustainable manner



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

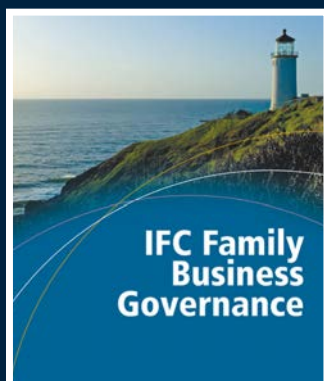
To enhance the corporate secretary's roles, functions, responsibilities, and skills

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



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.

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