Establish Clear and Realistic Goals – A DFI’s Perspective

ICF’s support in developing the scorecard in Nigeria

**Background**

IFC had a CG program that focused on the banking sector of the Nigerian economy. The Banking sector was considered the bedrock of the Nigerian economy, considering the key role played by the banking sector which at the time of initiating the Program, constituting almost 70% of tradable shares on the Nigerian Stock Exchange. It was therefore very strategic for the Nigeria CG Program as the first CG Advisory Services program in Africa to focus on improving transparency and accountability in the banking sector. The focus was primarily on ensuring compliance and also, enabling an improvement of governance practices in the sector.

**IFC’s objectives**

IFC’s goal was is to build capacity and strengthen regulatory institutions to promote the adoption of good CG practices and thereby establish an attractive and vibrant capital market. IFC chose to work with the Nigerian Securities and Exchange Commission (“SEC”) to strengthen the market and make relevant information available to the investment community. SEC’s aim of developing a monitoring system to ensure and measure compliance with the CG Code was in alignment with IFC’s focus on improving transparency and accountability in the banking sector. It was also imperative to ensure the development of local capacity and enable transfer of knowledge and responsibility to local partner institutions so that the scorecards project and its implementation will be sustainable.

**The Partner – Securities and Exchange Commission**

SEC is the government agency charged with regulating and developing the Nigerian capital market through registration of market operators and exchanges, inspection, investigation, rulemaking and enforcement of rules. Pursuant to its rule making powers, the SEC has issued a Corporate Governance Code for Public Companies (“the Code”) and compliance with the Code is expected for all public companies registered in Nigeria. SEC intends to develop a monitoring system to ensure and measure compliance with the Code by the companies it regulates. Hence, SEC was keen to work with IFC to develop and promote the use of a CG scorecard.

**Importance of goal setting**

1. From the IFC point of view, it was important to establish clear and realistic goals from the onset. This gave us clarity and direction in selecting the right approach, partner institution, working team and tools.
2. Establishing our goals required that we conduct an assessment of the environment, to determine who the stakeholders were, or could potentially be, what are the interests and contributions of these stakeholders? what other similar initiatives are being planned or ongoing?

3. The team was able to identify circumstances that posed a threat to the success of the project – Such lack of awareness, competing priorities, lack of information in the public domain, the planned release of a new Combined CG code.