

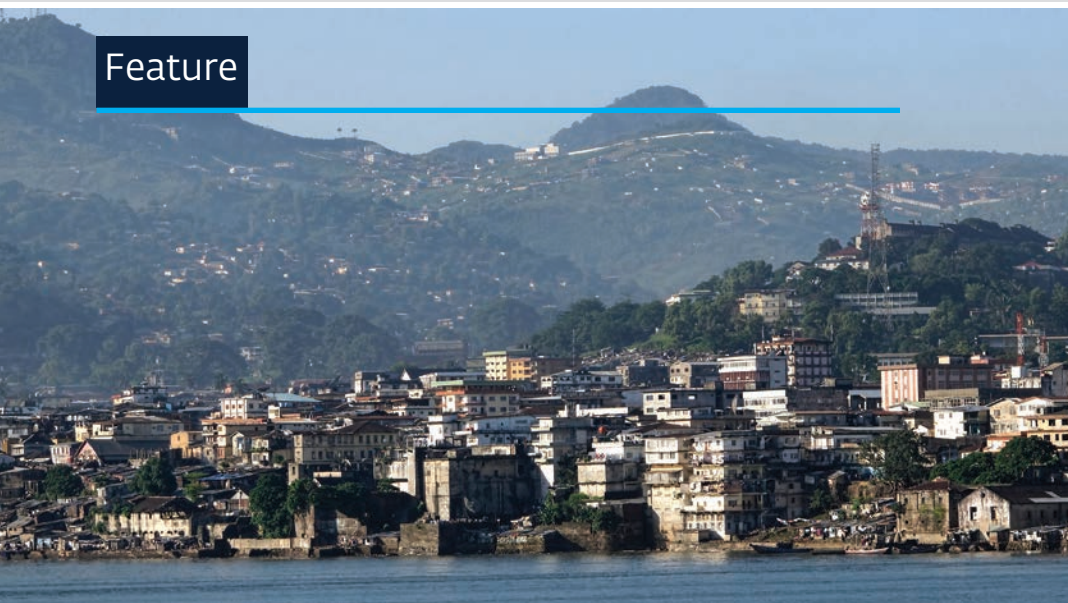
CG Updates

Newsletter produced by
IFC's Corporate Governance Group



Creating Markets, Creating Opportunities

Feature



In Sierra Leone, Focus on Corporate Governance Helps Rebuild Economy

December 2017—At the height of the Ebola crisis in Sierra Leone, business activity simply shut down. The virus that took thousands of lives also crippled an economy just beginning to rebound from a 2002 civil war. Combined, the three nations that were ground zero for the 2015 outbreak—Sierra Leone, Liberia and Guinea—lost a staggering \$2.2 billion in economic growth that year, according to World Bank estimates. [Read the full story](#)

[Strengthening corporate governance in FCS countries \(video\)](#)

[Learn more about our corporate governance program in FCS countries](#)

News

GLOBAL

OECD Workshop on Corporate Disclosure and Responsible Business Conduct

December 7, 2017—At the December OECD roundtable session on “what is changing for providers of information,” IFC’s Ralitza Germanova presented “Beyond the Balance Sheet,” the IFC disclosure and transparency toolkit on the challenges and opportunities of greater transparency demands for companies in emerging economies. The toolkit focuses on how the growing demand for transparency affects corporate governance and boards’ involvement in enhanced disclosure.

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.

October–December 2017

Demand for transparency and information on how companies deal with human rights, environmental, social, and other nonfinancial issues has grown rapidly. A particular trend is an increasing expectation that companies will provide information on how they are identifying and addressing impacts in their supply chains. This trend has become especially visible since the 2011 [OECD Guidelines for Multinational Enterprises](#) (which OECD is updating), along with other standards for responsible business conduct, started including provisions on supply-chain due diligence.

The OECD roundtable discussions provided an opportunity for more than 70 providers and users to share their views on the challenges of obtaining meaningful information and integrating it into decision making. The discussions, which fostered a better understanding of the role of governments and other actors in promoting transparency and providing incentives for disclosure, fed into current thinking on how to better integrate sustainability and responsible business conduct standards into the financial system. [Read the agenda](#)

EAST ASIA AND THE PACIFIC

China: Promotion of Disclosure and Transparency Toolkit

Beijing, November 8, 2017—IFC hosted a workshop to promote its disclosure and transparency toolkit, which guides emerging-market companies and financial institutions to provide “Beyond the Balance Sheet” information in their annual reports for investors and other stakeholders. The toolkit offers a flexible reporting framework for preparing integrated annual reports, based on the IFC Environmental, Social, and Governance (integrated corporate governance) Progression Matrix for listed companies, and building on the [IFC Performance Standards on Environmental and Social Sustainability](#) and international best practice. More than 40 participants attended the workshop, including IFC clients, partners, regulators, and scholars; many of them were keen to use the toolkit to improve their disclosure practices.

Fiji: Launch of Pacific Corporate Governance Institute to Boost Governance Standards

Suva, November 24, 2017—IFC, with support from the Australian government, launched the Pacific Corporate Governance Institute (PCGI) to promote good governance practices in the region. Endorsed by the Reserve Bank of Fiji and working with the South Pacific Stock Exchange, the PCGI will help improve the performance of Pacific companies, state-owned enterprises, and banks through education on good corporate standards, market awareness, and advocacy, with the aim of bolstering long-term growth. The PCGI will help coordinate various corporate governance activities in Fiji and

CG Focus is a regular installment produced by the Corporate Governance Group in Indonesia to provide IFC clients with insights into the evolving corporate governance landscape in the country and advocate the adoption of leading governance practices.



Improving Information Disclosure



Strengthening Stakeholder Participation



Improving Board Effectiveness



Protecting Shareholder Rights

channel expertise and resources through a single entity. Longer term, it may transform into a membership-based institute of directors. [Read the press release](#)

Vietnam: Tackling Related-Party Transactions Governance through E-Learning

Hanoi, December 2017—Abusive related-party transactions (RPTs) are a major corporate governance challenge for Vietnamese businesses. To tackle the challenge, IFC launched the “RPT Governance E-course” in Hanoi in December 2017. The online course, conducted in partnership with the Netherlands Development Finance Company (FMO), is based on the RPTs [Guidebook for Commercial Banks in Vietnam](#), published in early 2016 as a collaboration among IFC, FMO, the State Bank of Vietnam, and Dragon Capital Group. The event attracted directors and managers of more than 30 commercial banks, other stakeholders’ representatives, and the media. Earlier, in October 2017, IFC, together with the Vietnam Corporate Governance Initiative, organized a corporate governance forum on handling conflict of interest and RPTs for listed firms in Ho Chi Minh City.

EUROPE AND CENTRAL ASIA

Bosnia and Herzegovina: Reducing Business Risks through Sound Corporate Governance

Sarajevo, October 3, 2017—IFC and the Bosnian Foreign Trade Chamber organized a training for Bosnian companies on using corporate governance tools to reduce overall business risks. It focused on the link between business-process efficiency and the risk profile of a business. In that context, participants learned—through role playing—about tools they can use to ensure that their boards of directors adequately oversee internal controls and the risk management system, and about best practices related to the scope of work, reporting, and methodologies of the internal audit function. Company representatives also received an overview of investor perspective on corporate governance as an investment risk. The training included the sharing of examples of good and bad governance practices from the region and developed markets.

The Kyrgyz Republic: Prospects for Development of Corporate Governance in the Financial Sector

Bishkek, December 22, 2017—The Central Asia Corporate Governance Project hosted “New Trends and Prospects for Development of Corporate Governance in the Financial and Banking Sector of the Kyrgyz Republic,” a



conference that brought together more than 140 participants representing the top managers and directors of the banks and microfinance institutions operating in the country, as well as regulators, auditors, and consulting companies. Discussions covered a range of specific corporate governance issues, trends in international practice, and prospects for development of corporate governance in the country's financial sector. The main sessions focused on issues related to the work of the board of directors—one of the key pillars of a proper corporate governance system, setting “the tone from the top,” given that the quality and efficiency of the board's work influences the formation of the whole system and the commitment of the management and staff.

As Yuliya Holodkova, coordinator of the IFC Central Asia Corporate Governance Project, noted, “Commercial banks have always been more progressive in terms of applying best practices of corporate governance, which, on the one hand, is explained by the tighter regulator's requirements as the banking activities are linked to high risks and, on the other hand, due to the need to attract investments to finance their operations.

Turkey: Supporting the World Franchise Council in Improving Members' Governance

Istanbul, October 12, 2017—The World Franchise Council (WFC) is a global association that gathers 44 franchise organizations together with three supranational bodies: the Asia Pacific Franchise Confederation, European Franchise Federation, and Federación Ibero Americana de Franquicias. The WFC invited IFC to promote the importance of good governance at franchise associations as well as at their member companies. A presentation delivered in Istanbul as part of the WFC Annual Conference addressed two topics: NGO (nongovernmental organization) governance and SME (small and medium enterprise) governance. It gave special attention to the peculiar role of boards of NGOs, how they compare and contrast with corporate boards, and how to tackle issues involving director selection, commitment, and expertise. The second focus was on internal controls at NGOs.

Following the presentation, a workshop helped individual WFC members develop governance action plans. As a follow up, IFC worked with WFC to develop a framework governance action plan based on [IFC's corporate governance methodology](#) and best practice in governing NGOs.

Ukraine: Specialized Corporate Director Training

Kyiv, October 3–December 13, 2017—Following the adoption of the law providing for independent directors on the boards of both state-owned and private companies, Ukraine has seen an increased interest in and demand for directorship training. To meet this demand, the Ukrainian Corporate Governance Professional Association (CGPA), supported by IFC, launched the

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

“Specialized Corporate Director Training Program,” based on [IFC’s Board Leadership Training Resources Toolkit](#) and best international practice, and tailored to meet Ukraine-specific needs. The training program includes two two-day modules, with a one-month break between the modules. From October 3 through December 13, 2017, CGPA and IFC successfully conducted two training programs attended by 51 representatives from public and private joint-stock companies, state-owned companies, banking and financial institutions, law firms, and midsize enterprises.

On December 5, 2017, CGPA and IFC conducted the “Second International Corporate Directors Forum,” which has already become the key platform for the Ukrainian corporate governance community to discuss both progress and failures in the context of Ukraine, best practice, and modern international corporate governance development trends, and to share views and experience. This year, the Forum drew nearly 200 participants (including representatives from Belarus, Canada, Kazakhstan, the Kyrgyz Republic, Moldova, the Netherlands, the United Kingdom, and the United States) and was dedicated to the issues of effective functioning of the board. Participants particularly responded to a presentation on modern international developments and trends in the board (by Erik Vermeulen, professor of Tilburg University, the Netherlands, invited by IFC) and a case-based session on family business.

LATIN AMERICA AND THE CARIBBEAN

Colombia: Improving Performance and Sustainability of Colombia’s State-Owned Enterprises

Bogota, November 28–29, 2017—IFC and the World Bank, together with the Colombian Corporate Governance Institute, delivered two days of training for the Ministry of Finance of Colombia to approximately 60 directors from some 20 state-owned enterprises. This workshop was one of a number of IFC’s and the World Bank’s initiatives to improve the performance and sustainability of Colombia’s state-owned enterprises, further supporting the country’s OECD accession process with regard to the corporate governance chapter.

Colombia, Peru: Women on Boards and Business Leadership

Bogota, November 9–10; Lima, November 14–15, 2017—In a series of two-day workshops, IFC delivered “Women on Boards” and “Business Leadership” workshops to promote increased female representation in boardrooms and expand the pool of women in leadership positions. According to evidence from around the world, listed companies with women on their



boards outperform those without. Women in leadership positions—including board directors, chief executive officers, and vice presidents—attended the workshops, which were in partnership with, in Colombia, CESA and the Colombian Corporate Governance Institute, and in Peru, the University of Lima through its Corporate Governance Center.

Trinidad and Tobago, Barbados, Jamaica: Importance of Corporate Governance to Family Businesses and Companies Preparing for IPO

Port of Spain, October 25; Bridgetown, October 27; and Kingston, November 27–December 1, 2017—A series of workshops in the English-speaking Caribbean—sponsored by the Caribbean Corporate Governance Institute (in Trinidad and Tobago and Barbados) and by Mayberry Investments (in Jamaica)—featured a series of presentations and workshops by Oliver Orton, IFC's regional program manager. He spoke on a range of subjects including the keys to success for family businesses and the importance of boards of directors that bring value, in particular in the context of preparation for an IPO. At the Mayberry Investment Forum in Kingston, he also spoke on investor perspectives on corporate governance now and in the future.

United States: Second Effective Board Leadership Workshop for Latin American Directors

Washington D.C., October 17–19, 2017—IFC, together with the Network of Corporate Governance Institutes of Latin America (IGCLA) and the Ecuadorean Corporate Governance Institute (IEGC), delivered the second edition of the “Effective Board Leadership” workshop aimed specifically at the Latin American market. It brought together directors from across the region, focusing on the critical leadership skills and practical tools needed to be an effective director.

MIDDLE EAST AND NORTH AFRICA

Egypt: High-Level Roundtable—Improving Transparency of Capital Markets

Cairo, November 27, 2017—IFC co-hosted—with Govern, the Rockefeller Brothers Fund, and Egypt for Information Dissemination—a high-level, two-day roundtable on improving disclosure and transparency practices in Egyptian capital markets. The event is part of a broader effort to enable local capital markets to attract more investment and spur economic growth. Senior policymakers, including the Minister of Investment, attended the roundtable.

[Read the press release](#)



Lebanon: Women on Boards - Igniting Change

Beirut, November 29-30 and December 4-5, 2017—To promote gender diversity on boards and empower women, IFC—in partnership with Tamayyaz, Excellence in Governance Lebanon, and in collaboration with the Lebanese League for Women in Business—organized the first ever “Women on Boards: Igniting Change” program in Beirut. Saad Sabrah, IFC’s senior country officer in Lebanon, opened the workshop, which equipped attendees with skills to serve on boards and drive organizational growth. Twenty prominent women in leading positions attended the four-day workshop.

Iraq: Landmark Agreement to Improve Financial Institutions in Fragile and Conflict Situations

Baghdad, December 2, 2017—IFC signed an agreement with the Central Bank of Iraq (CBI) to improve the functioning of the banking sector. IFC will provide fee-based services to train CBI’s managers, including the governor, as well as board members of 70 Iraqi banks on environmental, social, and governance best practices and the newly developed corporate governance banking guidelines. The engagement will build the capacity of the market regulator, intermediaries, and Iraqi financial institutions to improve governance practices in the financial sector. The agreement demonstrates how highly valued IFC’s services are, even in the most difficult circumstances. The training program is scheduled to start in February 2018.



SOUTH ASIA

India: IFC and the Confederation of Indian Industry Organize the 12th Corporate Governance Summit

Mumbai, November 11, 2017—More than 300 board members and representatives of senior management attended the 12th Corporate Governance Summit organized by CII and the National Foundation for Corporate Governance, in partnership with IFC, Chartered Financial Analyst institute, and Deloitte. Ramesh Ramanathan, Manager, IFC South Asia, was a part of the opening session, and Vladislava Ryabota, Corporate Governance Lead for IFC South Asia, participated in the panel discussion on the role of high-performance boards in building sustainable, ethical organizations. The event included intensive discussions on the relationship between governance and management action, governance in startups and micro and small businesses, and risk management practices. Speakers at the high-profile event included Keki Mistry, Vice Chairman and CEO of



HDFC Limited, Uday Kotak, Executive Vice Chairman and Managing Director of Kotak Mahindra Bank Limited, and Injecti Srinivas, Secretary, Ministry of Corporate Affairs, among others.

India: Nurturing Corporate Governance Ecosystems in Asia

Mumbai, November 14–15, 2017—The Asian Corporate Governance Association—an independent, nonprofit membership organization dedicated to working with investors, companies, and regulators to implement effective corporate governance practices throughout Asia—organized the AC GA 17th Annual Conference in Mumbai. Vladislava Ryabota, regional corporate governance lead, IFC South Asia, participated in the session, “The AC GA Debate: Only minority shareholders should be allowed to vote on independent directors,” which deliberated on whether the election of independent directors in Asia should be restricted to independent minority shareholders because of concerns about quality and independence. The theme for this year’s conference, “Nurturing Corporate Governance Ecosystems in Asia,” was aimed at senior managers in industry, finance and investment, insurance, professional service firms, and regulatory authorities in Asia and other parts of the world. Among the prominent speakers were Ajay Tyagi, chairman of the Securities and Exchange Board of India, Christine Chow, associate director-engagement of Hermes Investment Management, London, V. R. Narasimhan, chief regulatory officer of the National Stock Exchange of India Limited, and Leo Puri, managing director of UTI Asset Management Company.

Sri Lanka: IFC and Partners Strengthen Corporate Governance Practices in Sri Lankan Family-Owned Businesses

Colombo, November 25, 2017—IFC, the Sri Lanka Institute of Directors, and the Colombo Stock Exchange, jointly organized a workshop on “Family Governance” to promote good corporate governance and family business practices to improve long-term sustainability of family-owned businesses in Sri Lanka. The aim of this first in a series of workshops was to help participants understand the fundamentals of family business governance. Family businesses are key to Sri Lanka’s economy, generating jobs and contributing significantly to the country’s economic growth. However, almost 95 percent of such businesses do not survive beyond the third generation. Through the event, participants learned how leadership and relationships are intertwined in the ownership, governance, and management of the enterprise. Important topics covered included family, business, ownership, governance, legacy, siblings, rivalries, professionalism, next-generation succession, and strategic planning. The event received extensive media coverage. [Read the press release](#)

PRESS RELEASES

Egypt

IFC Co-Hosts Roundtable to Support Egypt’s Capital Markets, Strengthen Corporate Governance

Fiji

IFC Launches Pacific Corporate Governance Institute to Boost Governance Standards

Myanmar

IFC Supports Responsible Finance in Myanmar through Training Series

Sri Lanka

IFC, Partners Strengthen Corporate Governance Practices in Sri Lankan Family-Owned Businesses

Latest IFC corporate governance fact sheets by topic

Corporate Governance Development Framework

Fragile and Conflict-Affected Situations

Latin American Companies Circle

Disclosure and Transparency Toolkit

View more fact sheets:
[ifc.org/corporategovernance/topics](https://www.ifc.org/corporategovernance/topics)

SUB-SAHARAN AFRICA

Kenya: Marketwide Development through Corporate Governance Codes

Nairobi, November 30–December 5, 2017—The East Africa Corporate Governance Program convened two important workshops: a two-day “Open Master Class on the Kenya Corporate Governance Code,” for issuers and listed firms, and a two-day in-depth “Corporate Governance Assessment Workshop on the Kenya Corporate Governance Scorecard,” for employees of Kenya’s Capital Market Authority. The team is working with both the market players and the regulator to scale up the corporate governance reform agenda in Kenya to the next level—as part of an effort to create a market for corporate governance services. IFC has been steadily involved in supporting the regulators during the update process and providing peer review comments on the draft of corporate governance codes. IFC also is helping spread the word about the code by co-hosting a series of seminars to raise awareness and help companies comply with the new provisions. Both events received satisfaction ratings of over 90 percent.

Nigeria: Good Corporate Governance to Help Family-Owned Businesses Avoid Pitfalls

Lagos, December 12–13, 2017—The IFC corporate governance team partnered with Punuka Attorneys & Solicitors to help promote and enhance Punuka’s prospects for long-term sustainability and to prioritize corporate governance. At a two-day training for Punuka board members and staff, the discussions centered on providing insights into leading practices that enable family-owned enterprises to professionalize the business and prepare for succession. The program, designed as a train-the-trainers workshop, aimed to offer insights on family business governance principles and to enable participants to deliver trainings and advise their own clients on family governance issues. Given the importance of family businesses to the economy, Punuka has indicated further interest in extending the work on family governance. The event reported a satisfaction rate of over 96 percent.

Simultaneously, IFC held two capacity-building workshops in collaboration with the Institute of Directors’ Center for Corporate Governance and the Society for Corporate Governance on the corporate secretary, board effectiveness and board leadership. The event attracted more than 50 people and had a 98 percent satisfaction rate. Both events—attended by high-profile directors from listed companies—focused on corporate governance and corporate sustainability, mitigating the risk of corruption for businesses, and directors’ effectiveness in emerging economies.

CALL FOR PAPERS

The Emerging Markets Corporate Governance Research Network issued a call for papers to be presented at the 6th International Conference on Corporate Governance in Emerging Markets on July 5–6, 2018 at the De Nederlandsche Bank, Amsterdam, the Netherlands. The conference aims to bring together top researchers and policy makers to facilitate dissemination of research on corporate governance and investigate the drivers of corporate governance and its impact on firm performance, financing, and economic development in emerging markets.

WHAT: Call for Papers

DEADLINE: March 1, 2018

MORE INFO: <http://bit.ly/2C56zIH>

SUBMISSIONS:
on the conference website at <https://www.rug.nl/igor/corporate-governance/on-offer/events/> or by email: emcgn2018@rug.nl, copied to melsaarat@sabanciuniv.edu.

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South Africa: The African Corporate Governance Award Ceremony

Johannesburg, November 1, 2017—“Corporate governance is a foundation for strong, sustainable and competitive companies operating in the African market.” That was the key message of the African Governance Award Ceremony, an important event for the corporate governance case study competition. The competition encourages global submissions from participants on all areas of African corporate governance and is based on cases from within organizations applying the principles contained in the King Reports on Corporate Governance in South Africa or the relevant corporate governance codes of the country the organization operates in. IFC co-hosted the event with the Institute of Directors, Southern Africa. Representatives of SECO (the Swiss State Secretariat for Economic Affairs) also attended. Mervyn King addressed more than 50 attendees and awarded the prizes for the top three case study submissions.



In the next CG Updates Newsletter

January-March 2018

- Highlights of the London roundtable discussions on the disclosure and transparency toolkit
- Coverage of IFC's participation in the Ring the Bell for Gender Equality events around the world
- Launch of a Practice Brief on Women on Boards
- Coverage of the annual meeting of the Corporate Governance Development Framework



Corporate Governance Advisory Program Overview

In fiscal year 2017 (FY17) IFC's corporate governance program continued to deliver on its mandate to improve the governance practices of firms in key emerging markets. In addition to direct engagement with firms, the program works with partners and regulators, building the local infrastructure to promote the broader benefits of good governance. The program operates across all six IFC regions with focused programmatic interventions in selected countries. This work is bolstered by tools, publications, and guidance provided by the global knowledge management team, as illustrated in the following examples.

WORKING WITH PARTNERS

Our work to build capacity of local partner intermediaries remained central to our program. During the year IFC signed agreements with 37 partner intermediaries to collaborate on promoting better practices in local markets. We provided 67 workshops for our intermediary partners and trained 466 trainers in our methodology and tools. We aim to ground knowledge of good corporate governance standards in these local organizations so they can offer training and services in future.

A key deliverable for this period was the third meeting of the Global Corporate Governance Institutes Network. Organized by our global team, the meeting brought together 44 delegates from 30 IFC partner corporate governance institutes and focused on long-term viability of partners, with a view towards independence from IFC support. Delegates shared experiences and knowledge.

In FY17 our partners delivered 198 workshops, reaching nearly 2000 firms and over 5000 training participants, with the support of IFC projects, tools and materials. Partners generated over \$2 million in sales revenue from providing these services, indicating a certain level of viability of their ongoing operations. We also continued the roll out of the partner capacity measurement tool, sponsored primarily by Switzerland's State Secretariat for Economic Affairs (SECO) and rolled out across the global program. The ECA region piloted the tool and findings revealed that most of IFC's 12 key partners in the region have progressed from a 15 percent assessed capacity 18 months ago, to more than 50 percent capacity today.



Of note: as of the end of FY17, more than 80 IFC partners around the world have improved their capacity, generating more than \$6 million in corporate governance-related sales revenue, due to IFC support.

WORKING WITH REGULATORS

A key part of IFC's corporate governance work involves helping to improve the regulatory environment for corporate governance. Building on our frontline experience as an investor, we collaborate closely with the World Bank to ensure that new governance regulations and codes in emerging markets are based on international best practices.

In FY17, IFC provided guidance on 17 newly adopted laws, regulations, codes, and scorecards. For example, in the Philippines, the project team supported the country's Securities and Exchange Commission in the adoption of a new corporate governance code, effective as of January 1, 2017. The new code is focused on board practices and on reporting, with an emphasis on fuller disclosure.

At the global level, the team organized the fifth high-level meeting on codes, standards, and transparency and disclosure. During the event, participants discussed ways of integrating environmental social and governance (ESG) norms into investment decisions, corporate governance frameworks such as codes and stock exchange activities, and corporate reporting.

WORKING WITH FIRMS

In FY17, IFC provided in-depth advice on improving governance practices to 65 firms. Of this number, 25 firms implemented recommended changes, all of which reported positive impacts on performance: more than \$900 million in financing facilitated, along with improvements in productivity, accountability, operations, and loan terms or valuation. IFC's rich experience has led other development banks and investors working in emerging markets to look to IFC for leadership on corporate governance strategies. Through the Corporate Governance Development Framework, 35 development finance institutions have adopted IFC's Corporate Governance Methodology, a process of analyzing corporate governance structures and policies.

In collaboration with the World Bank, we are working to improve the governance of state-owned enterprises in a number of countries, including Colombia, Egypt, Pakistan, Peru, Serbia, Turkmenistan and Vietnam. Our governance work also extends to firms in fragile and conflict-affected states, including Bosnia and Herzegovina, Iraq, Kosovo, Lebanon, Liberia, Myanmar, Sierra Leone and Yemen.

In FY17 IFC launched a new initiative to accelerate the pace of female board appointments and increase the number of women in corporate leadership positions, ultimately helping to strengthen the private sector in emerging markets. One of the programs under this initiative is the women on boards and corporate leadership training that brings together female executives, board directors, and potential board directors of emerging markets. It makes the business case for diverse boards and illustrates how emotional and social intelligence enhance corporate governance. Thus far, workshops have been conducted in Almaty, Kampala, Lagos, Nairobi, and Yangon.

From an overall results and impact perspective, the firm-level advice provided by IFC's CG Group to date has helped companies access more than \$7.6 billion financing, including \$1.7 billion from IFC.

INTEGRATING ENVIRONMENT, SOCIAL AND GOVERNANCE ISSUES

Corporate governance is a paramount consideration in investors' decision making. But investors are increasingly

paying equal attention to the way companies behave on a variety of environmental and social indicators. Investors see businesses' management of environmental and social issues as a test of how they would handle all strategic and operational challenges.

It's essential, therefore, to assess environmental, social and governance practices in an integrated fashion. In FY17, IFC developed comprehensive market guidance and practical tools to do this in the context of emerging markets, drawing on our track record in applying our Performance Standards and CG Methodology.

One tool—our ESG Progression Matrix—guides companies, investors, regulators, corporate-governance evaluators, and other stakeholders in assessing and improving a company's environmental, social, and governance framework. It emphasizes the importance of continuing progress—rather than static minimum standards—in the governance practices of a company.

The matrix focuses the assessment along six ESG parameters—key environmental, social and governance policies and practices, the structure and functioning of the board of directors, the control environment, disclosure and transparency, treatment of minority shareholders, and governance of stakeholder engagement (which includes civil society and communities affected by a company's operations).

Another tool is the IFC Disclosure and Transparency Toolkit—which helps companies in emerging markets prepare comprehensive and best-in-class integrated annual reports that are appropriate for their size and organizational complexity and adapted to the context of operation. The objective is to provide useful information for investors and other stakeholders.

We apply this integrated approach beyond the companies we invest in. We also use it in our advisory work with regulators and stock exchanges—to help them apply higher disclosure standards to corporate listings, reporting requirements, and other disclosure obligations.

For more details, read the full [IFC Corporate Governance Advisory Program Overview](#).

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.

Colombia **In Bogotá, the Chamber of Commerce will hold the 16th International Forum on Corporate Governance (original in Spanish)**

(Carlos Pinto)

Bogota Extra, November 21, 2017

Colombia **The importance of implementing good corporate governance practices (original in Spanish)**

(Francisco Prada)

Infraestructura y Desarrollo Magazine,
November 2017 – February 2018

Fiji **Good Governance in Family Businesses**

(Chris Razook)

The Fiji Times Online, November 21, 2017

Jamaica **Corporate Governance Expert for Mayberry Investor Forum**

(Oliver Orton)

The Gleaner, November 27, 2017

Kyrgyzstan **Experts and representatives of financial and banking sector of Kyrgyzstan discuss corporate governance**

(Yuliya Kholodkova)

Kabar, December 22, 2017

Peru **Companies and Ethics (original in Spanish)**

(Fiorella Amorrortu)

Stakeholders, December 2017

Peru **PAD, IFC completed director specialization program (original in Spanish)**

(Marc Tristant)

PAD Website, December 3, 2017

South Asia **Hairline Cracks in the Glass Ceiling**

(Vladislava Ryabota)

Ethical Boardroom, Autumn 2017 Edition

Trinidad and Tobago **Succession planning key to family-business**

(Oliver Orton)

Trinidad Express, October 31, 2017

Vietnam **IFC Launches RPT Governance Course for Vietnam Banks**

(Anh Nguyet)

Vietnam News Biz Hub, December 13, 2017

Vietnam **Transparency Advised For Related Party Transactions**

(Anh Nguyet)

Vietnam Investment Review, December 25, 2017

Vietnam **Vietnamese Firms Told to Improve Oversight of RPTs Vietnam News**

(Chris Razook)

Viet Nam News, October 14, 2017

HAIRLINE CRACKS IN THE GLASS CEILING

More board diversity is needed in South Asia but there are signs that women are rising through the ranks

Many studies show the clear and positive correlation between increased gender diversity at top levels of corporate leadership and better company performance. The fundamental business case for more women on boards and in senior leadership positions is fast becoming undeniable: reduced risk, better decision-making, increased collaboration and broader market perspective, among many other benefits.

South Asian markets are slowly warming to this message. In India, 75 per cent of listed companies have one female director. Of Sri Lanka's 20 largest listed companies, 14 have company boards that include one female director – up from nine just a few years ago.

That said, the overall picture is still not great. While the increased percentage of South Asian companies that have a female board member represents a step in the right direction, the fact is that one woman in an otherwise all-male board is usually not enough to drive meaningful change at her company. And, in the aggregate, it is not enough to drive change in the country or the region.

It does beg the question: with so much evidence pointing to the value of increased women's participation on boards and in senior leadership, why aren't there more women serving in these positions? Well, it's complicated. Many factors are at play, especially in this vibrant, diverse and rapidly developing region. Moving towards a more gender-inclusive corporate leadership approach involves changing a complex and entrenched social and business dynamic. Working in South Asia as part of IFC's corporate governance group, I have seen that such seismic shifts require multipronged efforts at many levels.

At the societal level: knowledge, information and change in mindset

Social change can be slow, particularly in a region characterised by contradiction when it comes to women's advancement. Consider that women comprise nearly 60 per cent of Sri Lanka's university graduates, yet they make up only 32 per cent of the labour force and a tiny four per cent of the nation's top management cadre.

Only 28 per cent of India's women work – one of the

lowest percentages of working women in the world – even though nearly 50 per cent of its university students are women.

The talent pool is clearly growing. Even in business schools, where the number of female students has typically been low, women are catching up. In at least one of India's graduate business programmes, the Goa Institute of Management (GIM), women and men are enrolled in equal numbers, according to GIM professor Divya Singhal, who has studied gender diversity in graduate degree programmes.

But somewhere along the way, too many smart and capable women are dropping out of the workforce and not ascending the ranks of corporate leadership. Typically cited reasons for this fall off include a need to care for children, family expectations to run the household and lack of ambition. I strongly disagree with this last presumption, which smacks of unfair stereotypes and flies in the face of reality. There are many highly capable women who have the drive and determination to make it to the top in these markets. Given the opportunity, they could become true agents of change.

Conferences, public events and positive media coverage can help to empower and encourage women to continue their climb up the corporate ladder. They also serve to educate men on the benefits of gender diversity in the workplace. For instance, at one event in Colombo, a panel of experts explored the reasons why there are fewer women in Sri Lanka's corporate sector, even as women have achieved prominent leadership positions in the country's professions, academia and judiciary. The back-and-forth focussed on the question of whether men in Sri Lanka were ready for women on boards.

Co-hosted by IFC and the Sri Lanka Institute of Directors, the event was well attended by both women and men. In India, last year's Women in Leadership Conference drew more than 500 mid-career businesswomen, all of whom are being mentored by top business leaders. It's another way to inspire women and encourage them to reach ever higher, beyond mid- and senior-level management and into the C-suite and boardroom.

We have also seen that widely publicised global events, such as the Ring the Bell for Gender Equality

event held every year at stock exchanges around the world to mark International Women's Day, have helped raise awareness, trigger discussion and spread the word on the business case for gender diversity. In South Asia, the exchanges in Dhaka, Colombo and Mumbai are all in on this initiative, hosting sessions aimed at spurring greater women's participation at all levels of the economy.

At the market level: networking, mentoring and training

South Asian women who are poised for corporate leadership roles sometimes face significant barriers to entry. They have not been part of the traditionally male-dominated peer networks from which new board directors are often chosen. They may not know anyone who can provide guidance as they navigate their career path. And they may lack board skills and confidence in their own abilities.

IFC works in tandem with institutions, such as the Federation of Indian Chambers of Commerce and Industry, the Bangladesh Enterprise Institute and the Sri Lanka Institute of Directors (SLID), to address these issues. New networks and platforms now enable women to build their business contacts and share knowledge. Mentorships, through programmes such as the one SLID recently launched, connect senior executives with early- and mid-career professional women, offering an important source of support. Databases of qualified female director candidates are making it easier for companies to find appropriate nominees.

And then there is training, an all-important way to fill critical skills gaps. Recently, IFC piloted a global board training programme specifically aimed at female directors, with sessions focussing on soft skills, such as projecting confidence, negotiating and resolving conflicts. In post-event feedback, participants said that they welcomed the opportunity to learn in a safe environment, together with other women.

By contrast, the male and female participants of the technical board skills programmes we run for new and potential directors of South Asian companies have said that they liked the exchange of ideas and perspectives that comes from being in a mixed environment.

The lesson here is that it can be effective to provide women-only training on board dynamics and interpersonal relations, covering such sensitive topics as how to insert yourself into a discussion and make sure your voice is being heard, even when you are in the minority. But for general skills training, there is a strong argument for mixed participation.

In IFC's own investee companies, we have seen the positive impact of all of these efforts as we aim for better gender balance in the boardroom. We are drawing from ever-growing databases of capable candidates, appointing board directors who graduated from mentorship and training programmes. Already they have shown themselves to be well prepared and ready to tackle the challenges ahead.

At the regulatory level: laws, corporate governance codes and non-financial reporting

Legislation and regulatory action can incentivise progress on the gender front. For example, employment laws that require equal pay for equal work, enable more liberal family leave, or support flexible work schedules can help break down some of the obstacles that are keeping more women from remaining in the workforce. Over time, this could help create a larger pipeline of women who have the expertise to take on senior executive positions and directorships.

Some countries, such as India, have gone the legal route in a push for increased women's representation on boards. India's Company Act of 2013 requires all publicly listed companies to appoint at least one female director.

The law has definitely made an impact. According to a 2017 KPMG study, India saw a 180 per cent increase in the number of women on boards of its listed companies between 2013 and 2016. In the early years, it seemed that many companies sought to comply by appointing family members of controlling shareholder families, but more recently, Indian companies have reported fewer such appointments. According to the IIAS, FICCI and Prime Database Group study, *Corporate India: Women On Boards*, today family members comprise only 16 per cent of female directors of NIFTY 500 companies.

The law may have made a difference in the Indian context, where women held only five per cent of board

seats prior to the law's enactment. Yet Bangladesh, with no quota system, actually has a higher percentage of female directors: 19 per cent, compared to India's 13 per cent. Still, a look beneath the numbers reveals that many of Bangladesh's female directors are wives or daughters of the controlling shareholder families, an indication that there is a room for improvement.

Regulatory interventions, in the form of corporate codes or guidelines that encourage greater board diversity and increased disclosure on non-financial issues, such as gender balance, also have proven an effective way to incentivise companies to take action. Regulators in several countries across the region are moving on this front. For example, Bangladesh's Securities and Exchange Commission is in the process of revising its corporate governance code to include a requirement for at least one female director in listed company boards. In India, IFC partnered with the Bombay Stock Exchange on a first-ever corporate governance scorecard. The scorecard, which includes a gender dimension, helps companies identify areas of improvement against generally accepted good practices.

As South Asian companies draw the attention of international investors, the regulatory push is becoming increasingly relevant. These investors, many of which have fully embraced the business case for diversity, are asking more questions about board composition as part of their due diligence. So, the availability of information – and demonstrated progress towards greater female representation – will be a critical factor for companies as they compete for investment.

At the company level: tone at the top trickles down

Companies can do a great deal to promote gender balance throughout their organisations. Primary responsibility for demonstrating commitment to diversity lies with the board and senior executives. "The tone at the top is crucial in enhancing gender diversity not only in the boardroom but at all levels of the organisation," notes the KPMG study.

Actions companies can take include instituting formal on-boarding programmes for new directors – or setting aside funds to send nominees for such training. These programmes can help build skill sets for all new directors,

male and female alike, to ensure they are ready for the boardroom. This will enhance overall board effectiveness, supporting improved decision-making and stronger strategy.

Companies also can appoint gender champions and institute women-friendly work policies to make it easier for women to continue their careers while balancing responsibilities at home. They can generate a deeper and wider pipeline by promoting competent and capable women. They can set up networks and encourage women to join. And they can nurture top talent through internal mentoring programmes that pair younger female professionals with more experienced executives.

At the board level, companies can ensure that nomination committees value gender diversity, with specific terms of reference on gender balance. Boards also can include an indicator to measure support for gender inclusiveness on board and senior management performance evaluations. Indeed, there is no limit to what companies can do in support of better gender balance.

The rate of continued development in the nations of South Asia depends on how effectively resources are used. And that includes drawing from an ever-growing pool of competent, highly educated women, creating an enabling environment that encourages their rise through the ranks into the boardroom. There is a clear need to build a critical mass of male and female champions who can move this agenda forward, because the region's long-term economic health depends on it.



*Vladislava Ryabota, Regional Corporate Governance
Lead, IFC South Asia
Ethical Boardroom, Autumn 2017*

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.



Corporate Governance Case Studies | Indonesia



Emisores de Valores and Gobierno Corporativo - Un Análisis a Las Encuestas de Código País 2007-2014



PSO 39: Headaches, Concerns, and Regrets: What Does the Experience of 102 Brazilian Directors Tell Us?



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
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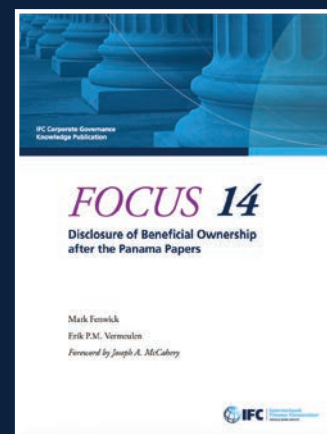


Risk Culture, Risk Governance, and Balanced Incentives



PSO 34: The Company Secretary as Polymath

Available in Spanish



Focus 14: Disclosure of Beneficial Ownership after the Panama Papers

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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

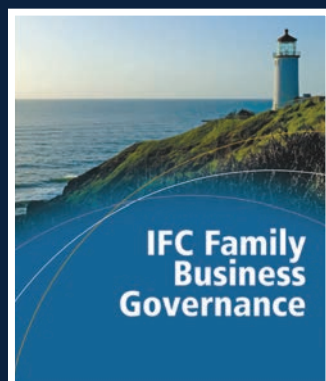
To enhance the corporate secretary's roles, functions, responsibilities, and skills

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.

For more information about our work, visit:

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