Sound corporate governance makes companies stronger, more efficient, and accountable, and supports implementation of good environmental and social practices. IFC works with the private sector in emerging markets and developing countries to achieve these goals by putting in place corporate governance practices that allow businesses to mitigate risk, safeguard against mismanagement, and attract the investment and capital that will fuel their growth.

Improved corporate governance practices also increase access to markets and lower the cost of capital, which encourages new investments, boosts economic growth, and provides employment opportunities. Businesses that operate more efficiently tend to allocate and manage resources more sustainably. Better stakeholder relationships help companies address environmental protection, social, and labor issues.

With strong donor support, IFC continues to build up corporate governance advisory programs in sub-Saharan Africa, Latin America and the Caribbean, and East Asia and the Pacific. We aim to replicate the sustainable model implemented in Europe and Central Asia, working closely with partner intermediaries to build their capacity so they can deliver corporate governance advisory services and training to firms and banks in their local markets.

**OUR WORK WITH PARTNERS**

In addition to broadening the reach of our corporate governance work, IFC’s efforts in support of local partners have created new economic opportunity in emerging markets around the world. In FY15, our partners generated over $900,000 in sales revenue, making use of IFC tools and materials as they provided corporate governance consulting and training.

IFC continued to cultivate strong local partnerships in Europe and Central Asia as a central component of our work in FY15. This year, we worked with 30 local partners in 15 countries throughout the region, strengthening their capacity to deliver training and consulting services.

Also this year, we built on the successes of the Europe and Central Asia model, transferring the lessons and experiences to other regions, such as Latin America and the Caribbean. Here, we promoted improved governance practices in partnership with regional corporate governance intermediaries such as chambers of commerce and corporate governance institutes.

Elsewhere, our partnerships with Mongolia’s Corporate Governance Center and the Philippines Institute of Corporate Directors are helping attract investment across East Asia and the Pacific. The efforts also enhance firm-level performance to boost broader economic growth.

In Sub-Saharan Africa, we are partnering with the Africa Corporate Governance Network (ACGN), South Africa’s Institute of Directors, and FITC, Nigeria’s leading financial training organization, to further develop
the corporate governance environment throughout the region. The FITC initiative, for example, extends beyond Nigeria, to include Cote d’Ivoire, Ghana, Kenya, Senegal and Sierra Leone. This year, we also worked with institutes of directors in Kenya and Ghana and with Ghana’s Association of Chartered Certified Accountants.

Among our partners in the Middle East and North Africa this year were four universities in Ramallah, West Bank and Gaza. Combined, these universities reached 400 undergraduate and graduate business school students with corporate governance coursework. In Iraq, the approach was a bit different. Here, we partnered with Iraq’s Women Empowerment Organization, the Erbil Chamber of Commerce and Salahaddin University to provide corporate governance training for current and prospective female directors of SMEs. This effort is part of a broader regional initiative to increase gender diversity on boards.

OUR WORK WITH REGULATORS

Working in close collaboration with our colleagues at the World Bank and building on our frontline experience as an investor, IFC is focused on further developing the regulatory environment for corporate governance in emerging markets. To date, IFC has contributed to the development of 95 corporate governance codes, regulations and laws, which have been adopted in over 30 countries.

In FY15, we reached several milestones in the regulatory arena, including the creation of a corporate governance strategy for Latin America and the Caribbean, with a particular focus on Perú and Colombia.

In Colombia, the strategy focused on support for the country’s pending accession to the Organisation for Economic Co-operation and Development (OECD). This year, we conducted an in-depth review of Colombia’s State Ownership Policy for state owned enterprises, a critical component to the OECD accession process. We also reviewed Proyecto de Ley 70, regulation that ensures the inclusion of adequate corporate governance provisions in Colombia’s new corporate law. The work in Colombia supports the efforts of the government’s finance ministry—Superintedencia Financiera de Colombia—as they analyze corporate governance reports submitted by companies based on the recently enacted company code, the Código País.

Similar efforts are underway in Perú, where we are gearing up to support the government’s capital markets regulator and review corporate governance submissions based on Perú’s National Corporate Governance Code. Elsewhere in the region, a joint World Bank-IFC team provided detailed comments on Jamaica’s corporate governance code and on the code of Brazil’s corporate governance institute, Instituto Brasileiro de Governança Corporativa (IBGC).

In Sub-Saharan Africa, we are teaming with our World Bank colleagues to create a corporate governance roadmap, with the goal to improve the regional regulatory environment. Among the initiatives being explored are development of new corporate governance codes, including for the Central Bank of Ghana and for Sierra Leone, where IFC has signed an agreement to work with the government agency charged with corporate affairs.

Other efforts underway include expanded use of scorecards to enhance the corporate governance code compliance of listed companies. In FY15, IFC launched scorecards in a diverse group of markets, including Nigeria, West Bank and Gaza, and Jordan. In addition, we are working with India’s Securities and Exchange Board to introduce a similar scorecard for Indian companies.
OUR WORK WITH COMPANIES

In FY15, IFC helped firms attract over $200 million in financing, while 31 firms implemented corporate governance improvements based on our recommendations and 23 firms reported improved firm performance due to enhanced corporate governance practices. Among the specific improvements cited: greater productivity, increased accountability, more efficient operations, better loans terms and valuations, and enhanced reputation.

At the individual firm level, our corporate governance team contracted for more than 70 fee-based engagements this year, indicating growing demand for such services as more firms understand the value of good corporate governance. Our team also delivered more than 200 corporate governance workshops and similar events, while our partners delivered 61 fee-based corporate governance training programs, reaching 380 entities and more than 5,000 participants, including more than 1,000 women.

Board diversity was a key focus of our work with companies in FY15. This year, we convened several global events to promote gender diversity on boards, while working with companies on an individual basis to encourage increased diversity. This work is helping to bring more attention to this important aspect of governance. For example, Colombia’s upcoming forum on corporate governance will feature a session devoted to women on boards—representing a first for this major event. In other efforts to encourage board diversity this year, we partnered with the UN Global Compact, as well as with the stock exchanges of Colombia and Perú.

IFC targeted several other key corporate governance issues as well in FY15, including governance of state-owned enterprises. This was a particular focus in the Latin America and Caribbean region this year, as we worked with Bancoldex, Colombia’s state-owned development bank, in support of the country’s OECD accession plans. In Brazil, we are helping to develop a training program specifically geared to the country’s state-owned enterprises, in conjunction with IBGC.

Also in FY15, we expanded our efforts to provide corporate governance guidance to small- and medium-sized enterprises, which require different types of governance structures than larger companies do. We are working through our local partners across the regions to deliver tailored interventions that will meet the needs of these companies.

Companies operating in conflict-affected environments were another important focus of our work this year. Such companies face unique corporate governance challenges. In FY15, we initiated efforts to establish sound corporate governance in several conflict-affected states, including Afghanistan, Bosnia and Herzegovina, Iraq, Myanmar, Timor-Leste, West Bank and Gaza, and Yemen.
SUMMARY OF RESULTS ACHIEVED IN FY15

• More than 1,500 entities reached; 100 received in-depth advisory services
• 50 entities implemented changes recommended by IFC
• 23 entities reported improved performance due to corporate governance improvements
• $200 million in financing accessed by 13 firms, due in part to corporate governance improvements
• 10,000 participants at training events and conferences, including 3,000 women
• 5,000 participants trained by partners, including 1,000 women
• More than 400 trainers trained by IFC
• More than $900,000 in sales revenue earned by IFC partners for provision of corporate governance services
• 9 laws, regulations, and codes adopted in 5 countries; developed with IFC guidance
• 13 publications, including translations, produced and shared widely with stakeholders around the world

SUMMARY OF RESULTS ACHIEVED 2006-2015

• 15,000 entities reached; 1,000 received in-depth advisory services
• More than 1,000 entities implemented changes recommended by IFC
• More than 400 entities reported improved performance due to corporate governance improvements
• $5.6 billion in financing accessed by 200 firms in 30+ countries, in part due to corporate governance improvements
• 70,000 participants at training events and conferences, including 20,000 women
• More than 1,700 trainers trained by IFC
• 32,000 participants trained by partners, including 8,000 women
• $1.7 million in sales revenue earned by IFC partners from provision of corporate governance services
• 152 laws, regulations and codes advised by IFC, of which 95 of have been adopted in 30+ countries
• 160+ publications, including translations, produced and shared widely with stakeholders around the world
• 34 development finance institutions, including IFC, adopted the Corporate Governance Development Framework, distilled from IFC’s methodology for evaluating corporate governance risks and opportunities