



**International  
Finance Corporation**  
World Bank Group

# IFC Crisis Response in Corporate Governance

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# What is IFC

International Finance Corporation (IFC) is a member of the World Bank Group focusing on investing in the private sector companies of emerging economies

## IFC's Vision, Values, & Purpose

- Our vision is that people should have the opportunity to escape poverty and improve their lives.
- IFC's purpose is to create opportunity for people to escape poverty and improve their lives by:
  - Promoting open and competitive markets in developing countries
  - Supporting companies and other private sector partners where there is a gap
  - Helping to generate productive jobs and deliver essential services to the underserved
- In order to achieve its Purpose, IFC offers development impact solutions through:
  - **firm-level interventions (direct investments and advisory services)**
  - **standard-setting and**
  - **business-enabling environment work**

- *We need to improve corporate governance, so that more of the up-and-coming companies that are creating jobs can tap into the capital in the global economy.*

*Lars Thunell, IFC EVP*

# IFC's Strategy for Latin America and the Caribbean

- Improve the business enabling environment, helping small businesses join the formal economy
- Increase access to finance: reach microentrepreneurs, small businesses, and second tier companies and provide long-term financing for corporations
- Strengthen infrastructure by increasing private sector participation and advising on reforms of the regulatory framework
- Promote sustainability through higher standards for corporate governance and environmental and social performance
- Ensure additionality by focusing on second tier companies in the agribusiness, extractive industries and select general manufacturing and service sectors.
- Selectively seek to increase our support for the private provision of health and education.

# Crisis Response through Firm-Level Interventions

IFC responds to crisis through corporate governance in the following ways:

- **Direct investments:**

- Analyzing CG risks and opportunities for IFC and client companies as part of IFC's investment process (including through the special purpose vehicle "bank capitalization fund" created recently) - applying the IFC Corporate Governance Methodology
- Supporting CG efforts of portfolio clients through CG assistance (direct advisory services and through external consultants)
- Supporting the clients through IFC nominee directors - training on the role of the board, including on risk and crisis management

# Crisis Response through Firm-Level Interventions

IFC responds to crisis through corporate governance in the following ways:

- **Advisory Services:**

- Providing risk management and risk governance advisory services to clients (first focusing on IFC clients-financial institutions but making the service eventually available also for non-clients and commercial companies)
- Training company directors on the role of the board in crisis management (also helping them to develop a crises response plan addressing this and any possible future crises) - short-term
- Supporting IFC investment and advisory clients with better understanding the board's role in risk management - medium-term
- Regional/country advisory services projects on CG aspects of crisis management and risk governance

# Crisis Response through Institutional Support

IFC responds to crisis through corporate governance in the following ways:

- **Institutional support:**

- Contributing to policy debate through the activities of the Roundtables and the Companies circle
- Training the trainers on CG aspects of crisis management and risk governance
- Supporting partner institutions by creating/expanding capacity to provide relevant CG-related services to companies in the relevant markets - the Global Corporate Governance Forum plays an important role
- Providing direct assistance to stock exchanges, regulators and legislators on improving CG standards in their respective markets (e.g., support in development of country codes, listing requirements, etc.)

**Thank you for attention!!!**

See more information on [www.ifc.org/corporategovernance](http://www.ifc.org/corporategovernance)