Global Corporate Governance Forum

1. Introduction:

The Global Corporate Governance Forum (the "Forum") is a multi-donor facility funded by IFC, Canada, France, Luxembourg, Netherlands, Norway and Switzerland. Housed in the IFC Corporate Advice Department, the Forum serves as a catalyst to stimulate reform activities that garner broad-based regional and local support for enhanced corporate governance standards and practices. The Forum was co-founded by the World Bank Group and the OECD in 1999.

2. Summary

The Forum has four activity pillars: (i) raise awareness and build consensus for the implementation of reform; (ii) sponsor research that is relevant to the developing countries’ confronting reform challenges; (iii) disseminate best practice guidance drawn from the Forum’s global expert network and experience of corporate governance reform; and (iv) fund technical assistance and capacity-building in collaboration with local, regional and international partners.

Now in Phase II of its operations, the Forum focuses on corporate governance initiatives that serve to support corporate governance reform efforts in low income countries. The Forum aims to build and/or enhance the capacity of institutions that can lead or support corporate governance, usually in the form of director training associations and often in co-operation with regulators and other market intermediaries. This is supported by a series of toolkits produced by the Forum, providing guidance for improving boardroom standards in public and private sector companies and the practical application of those standards such as board leadership training, development of corporate governance codes, establishment of corporate dispute resolution mechanisms, and training of financial journalists.

The Forum’s work reflects a growing demand for implementation support as the need for corporate governance reform has gained wide acceptance, and to fill a badly needed gap in implementing internationally acceptable standards of good practices. This has been particularly aggravated by the prevailing global financial crisis, with the consequence of poor corporate governance having a significant impact on reversing efforts to alleviate poverty.

The Forum relies considerably on the pro-bono contribution of its Private Sector Advisory Group (PSAG); an international network of corporate governance professionals and experts drawn from around the world, who bring to the Forum’s efforts objective views and business-based experience.

The Forum has demonstrated a sharp increase in projects from only three projects in FY05 to 46 projects/activities completed in FY08. As the challenge increases due to the economic environment, the Forum envisages to deliver some 40 projects in FY09, comprising of over 100 deliverables. It has completed an independent evaluation for its FY04-FY07 program, and three project evaluations Sub-Saharan, all of which yielded positive findings.
Start Date: 2005  
Donors: Canada, France, IFC, Luxembourg, Netherlands, Norway, Switzerland

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- 46 projects/activities completed, comprising 161 deliverables (FY07: 24 and 42 respectively). In terms of projects, Sub-Saharan Africa continues to be main recipient.
- Global footprint almost fully reinstated, with strong demand-driven pipeline of projects.
- Toolkits 1 and 2 fully mobilized and at the core of the Forum’s capacity building work in the field.
- Toolkit 3 launched to international acclaim and very high demand. Accompanied by Training of Master Trainers to support global rollout and scalability.
- Partnership with Thomson Reuters Foundation to train financial journalists in corporate governance. Successfully tested in South Eastern Europe (SEE), South Asia (CSA) and Middle East and North Africa (MENA), this line of work is facing high demand.
- Role of mediation to resolve corporate governance disputes has met strong interest globally as an innovative board and management tool. Following the successful publication of a working paper establishing strong rationale for this line of work, Toolkit 4 is nearing completion.
- Academic research conference on emerging markets stimulated considerable interest internationally and has stimulated Yale’s Millstein Center for corporate governance to take a closer look at these issues in the overall framework of global corporate governance research.
- High level European Union (EU) corporate governance meeting for SEE non-member countries has helped bring into perspective the EU’s role as a standard setter for corporate governance practices relevant to SEE work and internationally. The Forum bridged an important gap by publishing a series of materials summarizing the EU’s approach to corporate governance, the main directives and current established best practice.
- New series of FOCUS publications published, complemented by series of publications,