

 Early Warning System

IFC-564367

CG Egypt&Levant



## Quick Facts

<b>Countries</b>	Egypt
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	U
<b>Voting Date</b>	2016-11-20
<b>Borrower</b>	Sound CG
<b>Sectors</b>	Finance, Industry and Trade
<b>Investment Type(s)</b>	Advisory Services
<b>Project Cost (USD)</b>	\$ 2.99 million



## Project Description

Sound CG makes companies stronger, more efficient and accountable, and supports implementation of good environmental and social practices. CG MENA Program works with the private sector to achieve these goals by putting in place CG practices that allow firms to mitigate risk, safeguard against mismanagement and attract investment and capital to fuel their growth. Improved CG practices also increase access to markets and lower cost of capital, which encourages new investments, boosts economic growth and provides employment opportunities. Firms that operate more efficiently tend to allocate and manage resources more sustainably. Better stakeholder relationships help firms address environmental protection, social and labor issues. However, political uncertainty and security challenges that burdened MENA economies in recent years has stagnated this progress, and a sense of urgency has renewed the need for good CG practices by firms to be able to weather this period of economic uncertainty.

The Project will seek to build on the achievements of earlier projects in delivering CG services and advice, but delivery will be made through a refined model: IFC will leverage resources of local partners to meet Project objectives, while at the same time investing in the capacity-building of such local partners. The Project represents the next stage of IFCs value-added for delivery of CG services in MENA, in that it will rely more heavily on such local partners in order to reach the market.

1. Past Progress. IFC has actively promoted CG in Egypt & Levant during the past few years and witnessed strong overall progress. Through the efforts of IFC and others, a solid foundation for CG has been established, highlighted by the development of CG institutes, a heightened level of CG awareness (witnessed through number of large-scale CG events) and the launch of CG codes and regulations.

2. Varying Levels of Need. Despite this progress, more is still needed to broaden and deepen the impact of CG, with varying levels of need across the four countries. Lebanon requires more significant assistance to relaunch a Lebanese director institute and expertise to advance the CG agenda. While the Jordan Institute of Directors (JIOD) and the Egyptian Institute of Directors (EIoD) are further advanced, they still require assistance to drive CG changes in firms and reach broader market segments, especially for financial institutions, family-owned businesses and SMEs. IFCs partner in Palestine, the Palestine Capital Market Authority (PCMA), will require support to revise the code for listed firms, launch sectorial codes, report on CG scorecards and build capacity for the research and disclosure department.

3. South-South Exchanges. Given this context, strategic focus will be to leverage prior work in Jordan and Egypt to further penetrate particular market segments and help advance Palestine and Lebanon more nascent CG infrastructure. IFC's additionality would be to bring together institutes and other intermediaries with their peers from other countries, which shall help spur reform, build a peer pressure effect and encourage them to learn from each other. The project will focus more heavily on these local intermediaries, helping them to deliver a wider variety of CG services. This will not only be carried out in their own local markets, but IFC can also leverage their resources to serve CG needs in the neighbor countries. For instance, JIOD and EIOD's experience with SMEs and FOEs will be used in Lebanon and Palestine, and Jordan and Palestines experience with CG scorecards and women on boards study will be leveraged in Egypt and Lebanon.



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## Investment Description

- International Finance Corporation (IFC)



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## Contact Information

### ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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**Bank Documents**

- [Project Information](#)