2020

PICG ADVISORY UPDATE- 37

Oct-Dec 2020

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THE UPDATE

As we progress into 2021 with most of the global population still finding themselves living through a pandemic, there is much learning to take forward from the year gone by. We find push for the new agenda of a 'sustainable post-Covid-19' world, greater attention towards occupational health and safety, and strong focus on business continuity, financial liquidity and overall business resilience. The pandemic is a strong reminder of just how important governance is, and good governance especially.

In addition to most governments leading Covid-19 responses, the role of successful private sector leaders is to engage with the government on national and local levels to take action on their shared priorities – the catalytic power of partnerships is a vital lesson for all to remember and incorporate in the future.

Much more than ever, companies are balancing financial and operational performance on the one hand, and good environmental, social, and governance performance (ESG), on the other. ESG has gathered momentum in recent years as multifaceted system level threats (i.e. climate change and inequality) become more central to sustaining business success. The Covid-19 pandemic is highlighting both the tensions between, and the need to meet shareholder and stakeholder needs, manage financial and non-financial targets simultaneously, and balance short-term and long-term priorities in tandem. The pandemic has also disproportionately affected women, and continues to do so; therefore, we must collectively work towards not only addressing their specific vulnerabilities but also towards recognising and facilitating the multiple roles women perform.

PICG's longstanding advisory updates now incorporate the triple bottom line i.e. Profit, People and Planet, encouraging good governance through social and environmental responsibility in addition to financial corporate governance. Embracing the ESG philosophy, impact investing and taking action will ensure short term and long term sustainability and prosperity, fortifying against unforeseen circumstances such as the pandemic we continue to navigate today.

We hope you will find the update insightful.

"The coronavirus pandemic and impending recession have created an urgent, unprecedented opportunity for CEOs and corporate leaders to put the promise of purpose-driven leadership and stakeholder capitalism into practice."

- Just Capital

Environment

ENVIRONMENTAL GOVERNANCE

Sr #	Topic	Links
Pakistan		
i	Country profile from Asian Development Bank's series of reports on climate law, policy & litigation	National Climate Change Legal Frameworks in Asia and the Pacific
ii	Green banking in Islamic and traditional banks	Article- Journal of Accounting and Finance in Emerging Economies
International		
iii	Spatial finance, an Emerging Field	World Bank & WWF report on challenges and opportunities
iv	Sustainable finance practices in retirement funds	IFC report- South Africa Case Study

i. Climate Change, Coming Soon to a Court Near You: National Climate Change Legal Frameworks in Asia and the Pacific

A four-part series of reports produced by Asian Development Bank (ADB) in recognition of the inevitable increase in litigation in the era of climate change. Report 3 puts the spotlight on national climate change legal frameworks, including a snapshot of Pakistan. The foreword to the report stresses the importance of a "global judicial consensus on climate justice". With the goal of steering Pakistan towards economic and social climate-resilient development, the report compiles valuable information on legal frameworks, energy supply and demand, transportation, adaptation and disaster risk management.

Climate change is expected to significantly impact water-dependent sectors in Pakistan, such as agriculture. Pakistan has faced extreme weather events, with projections predicting the average temperature warming to be higher than the global average which in turn will affect timing and strength of monsoon rainfall. Pakistan aims to reduce unto 20% of Greenhouse gas emissions, and increase forest cover from 6% to 10%, by 2030. There is a multitude of national policies in place to protect vulnerable groups and to enhance climate change resilience; most recently, the Climate Change Act (2017) and its subsequent Pakistan Climate Change Council led by the Prime Minister works to supervise, facilitate and enforce guidelines and policies, and integrate international concerns into governmental decision-making.

ii. **Green Banking Products: Challenges and Issues in Islamic and Traditional Banks of Pakistan**

Planning for growth through a green economy and green financing, Pakistan introduced green banking guidelines in 2017. This report presents findings on the issues and challenges of green banking in Pakistan's Islamic and traditional banks while it is still in its infancy.

According to the report, 29% of the interviewees from traditional banks responded that green product development was not difficult, when given easy access to expert product development consultants. Respondents from traditional banks also identified key issues such as: a lack of skills and knowledge stemming from a dearth of consulting expertise and resistance from higher management; identifying target audiences as it is a niche market; and convincing customers as they may incur higher costs.

60% of interviewees from Islamic banks felt that convincing customers is the main barrier to green products, and 20% opined that lack of knowledge, skills and incentives are also key issues in green product development.

The study identifies a need for greater support from government and international funding agencies, provision of specialized training, and a targeted advertisement campaign. Some interviewees insisted on urging SBP to assign product development targets to banks, with a penalty and reward mechanism. Incentives should be offered to industries to adopt green practices while reducing their environmental impact. Another suggestion calls on entrepreneurs, academics and professionals to form a network to identify needs, design courses and build infrastructure to produce qualified green banking officers.

iii. **Spatial Finance: Challenges and Opportunities in a Changing World**

This joint 'World Bank-WWF' Report tackles the 'E' pillar of ESG, environment, a critically underexplored issue in the financial sector. The report describes a potential solution within the emerging field of 'spatial finance', which complements existing ESG data streams, and outlines for the first time a robust taxonomy for the field. *"Spatial finance is a geospatial-driven approach designed to provide ESG relevant insights into a specific commercial asset, a company, a parent company, a portfolio or national level scorings".*

ESG reporting currently faces the problem of inaccurate data with a long time gap as companies usually self-report on an annual basis; this can create biases and discrepancies, as different companies use different reporting methods. The report argues that there should be a strong partnership between climate/environmental data experts and the financial industry to assess needs and develop data solutions. Environmental non-profit agencies are key data holders, and the report argues that they have a duty to engage in this field and to ensure availability and usage of data; their support will produce robust spatial finance insights. It also states that holistic climate and environmental data should be declared as a global public good.

Spatial finance offers a novel data source to gain additional ESG relevant insights and as such is highly complementary to existing ESG approaches. Possibly spatial finance is currently best positioned to provide insights on the 'E' in ESG due to data availability, although this is likely to change with a growing number of data studies capturing social concerns.

Specifically, spatial finance offers the potential of:

- High frequency data on the climate and environmental performance of assets, week on week, month on month;
- Qualitative data, factual numbers driven by remote sensing or other means;
- Comparability of assets and company by applying globally consistent observational data against assets;
- Consistency across multiple scales, from assessing project finance issues to sovereign debt.

The report identifies three major data barriers in the mainstreaming of spatial finance:

- lack of reliable asset level data at required granularity and regularity,
- lack of supply chain data at required granularity,
- poor adaptation of observational climate and environmental data in financial applications.

It concludes by outlining practical next steps in supporting the development of improved climate and biodiversity data for spatial finance.

iv. Sustainable Finance Practices in South African Retirement Funds

IFC in partnership with Swedish International Development Cooperation Agency and Swiss State Secretariat for Economic Affairs, have explored opportunities to unlock investment in green and climate finance and support a resilient economy. Results show that South Africa's retirement funds can play a central part in facilitating sustainable finance in South Africa; and there are various challenges to turn into opportunities. For example:

- the lack of consistency in the definitions of 'green' and 'sustainability' focused terms; therefore, an agreed taxonomy would facilitate efficient monitoring and reporting across the retirement fund industry, allowing them to make more informed decisions.
- There is insufficient investment in good governance, liquidity and ESG credentials, which makes them fall short of the requirements of retirement funds to allocate to sustainable assets. An important factor to consider is that environmental development goes hand in hand with social development, and so green-focused investing must also consider social development in the economy by way of (amongst other things) job creation in new green industries.
- Finally, the report recognizes a major need for new expertise among retirement funds and asset managers to spread awareness, facilitate trainings, and integration of ESG factors into their investments.

Despite these challenges, there are spaces for opportunity too, and according to the report South Africa is well positioned to take advantage of new trends in sustainable investing that can help retirement funds build back better following the impact of COVID-19 and support the transition to a low-carbon, inclusive, and resilient economy. With a number of national policy developments expected in the coming months to address climate risk, retirement funds should be ready to respond to both the physical and transition risks of climate change that could affect their investment portfolios. In the meantime, there has been an encouraging uptake of ESG integration by retirement funds.

The results of this survey indicate practical steps that can be taken by both retirement funds and the asset management industry to make this possible.

Social

SOCIAL GOVERNANCE

Sr #	Topic	Links
Pakistan		
i	PRIDE- Punjab Resource Improvement and Digital Effectiveness Program	PRIDE Project Operations and Documentation Press Release from The World Bank
ii	China-Pakistan Economic Corridor (CPEC's) Impact on Rural Development and Human Life Sustainability	PLOS ONE Journal Research Article based on Observations from Rural Women
International		
iii	IPSOS Women Forum's Survey	Highlighting an emergency within the emergency: the fight against gender inequality in the midst of the COVID-19 pandemic
iv	OECD report on Women's Economic Empowerment in Egypt, Jordan, Morocco and Tunisia	Changing Laws and Breaking Barriers for Women's Economic Empowerment in Egypt, Jordan, Morocco and Tunisia

i. **Punjab Resource Improvement and Digital Effectiveness (PRIDE) Program - Stronger Public Financial Management and Digital Services to Support Growth**

The World Bank's Board of Executive Directors for PRIDE program in Pakistan has approved $304 million in funding for a program that supports efficiencies in public resource management that generates savings and creates fiscal space for growth-generating investments in the Punjab province. The PRIDE Program is expected to support the government of Punjab in strengthening fiscal risk management and budget formulation to ensure reliable resource allocation for public services. The program will improve revenue collection by increasing registration of businesses and real estate, and simplifying tax administration processes such as registration, filing, payment, refunds and appeals.

In the wake of COVID-19 pandemic, the program also focuses on deploying technology-based solutions to enhance public service delivery and increase access to online services for firms and individuals. This will support Punjab in digitizing key government services to streamline processes and increase efficiencies in public service delivery. PRIDE supports the Punjab Growth Strategy and the Punjab Public Financial Management Reforms Strategy, and also aligns with the Responsive Investment for Social Protection and Economic Stimulus, which the government of Punjab designed to stimulate recovery from the pandemic and increase resilience to future shocks.

Together with PRIDE, these initiatives layout a roadmap for Punjab to accelerate digitization of government services and ensure business continuity during emergencies.

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ii. China-Pakistan Economic Corridor & its impact on rural development and human life sustainability.

This study attempts to document rural women's perceptions of CPEC on the question of how CPEC influences their living standards and perceptions. All study participants were rural women, of which 90% were classified as educated. CPEC projects are expected to help overcome countless socio-economic issues that rural women face- as some of their primary goals are sustainable development and social welfare. Some prevailing issues are wage discrimination, poor health facilities, occupational discrimination and harassment in the workplace. Results show that rural women perceive CPEC-driven changes as a positive force in their lives.

A huge barrier to business growth and economic prosperity in rural areas is lack of infrastructure and facilities, especially electricity. The report highlights that CPEC's primary emphasis is on improving infrastructure such as electricity, roads, hospitals and schools, and is therefore expected to play a very positive role in developing rural areas by generating new opportunities for those residing within them.

These projects are also geared towards achieving long term benefits such as employment generation and environmental safety; CPEC can therefore help rural women take advantage of new infrastructural facilities and explore new income generating opportunities. When rural systems are strengthened through well-developed infrastructure, greater connectivity paves the way for tangible improvements in standards of living.

iii. IPSOS Survey: Highlighting an emergency within the emergency - the fight against gender inequality in the midst of the COVID-19 pandemic

IPSOS, a market research company, conducted a survey with 3500 citizens of the G7 countries, with the analysis concluding that COVID-19 and its consequences are hitting women particularly hard, more so than it is men.

A majority of people in the G7 believe the economic and social consequences of COVID-19 will be the same for men and women (64%). However, the differences in the impacts on men and women are significant; women experience the consequences more frequently, and they affect very different aspects of the respondents' lives such as fear of the future, anxiety, loss of confidence, not taking time to monitor their health, and the amount of time spent looking after vulnerable friends and relatives, etc. These differences in experiences – which nonetheless must not mask the difficult situations that many men are also experiencing – are growing. These impacts add up to create significant overall inequalities between men and women, which run the risk of becoming even stronger with the second and third waves of the pandemic.

The risk of women going back to traditional roles in the context of COVID-19 is even greater given that gender stereotypes remain widespread at an extremely alarming rate – that too across all age groups. Inequalities are an intergenerational perpetuation, with more than 1 in 5 women told that women who choose to pursue careers in science are often unhappy with their choice. 70% of participants believe that "it is more difficult for a woman than for a man to have a successful career because she has to agree to sacrifice part of her family life". Many women drift away from the most highly paid professions, believing this is a choice amenable to their tastes and abilities; 31% had been faced with people telling them they had to choose between being a good parent and having a great career, compared to 24% of men.

The push towards having a successful family life rather than a career obscures the fact that both are possible in tandem, and that men are as likely as women to devote time to their children. These inequalities also have significant health consequences throughout women's lives; 79% report being too tired and stressed by everything they do (work, household chores and childcare) compared to 61% of men stating the same; 69% report paying a lot of attention to the health of others but not to their own health compared to 54% of men; and 57% report feeling physically and mentally exhausted from caring for someone who is sick compared to 41% in the case of men. The pressure of juggling the many roles assigned to women, and the direct economic inequalities they face (majority of respondents believing in women's inequitable pay for equitable skills and experience, their lesser access to board and senior management roles in large businesses, and their poorer access to professional training and career advancement), wedge this discrepancy between men and women participants' responses. As long as the pandemic drives women to withdraw into the private sphere there is a high risk of seeing these inequalities grow significantly.

Responses demonstrate a broad consensus on the fact that integrating women into every decision-making level is beneficial; 90% encourage the positive outcomes from decisions taken by men and women together, and a significant majority believe that better access to senior management roles for women would have positive effects, with 77% agreeing in terms of the ability to innovate and to think differently, and 68% agreeing in terms of the company's growth.

iv. OECD Report - Changing Laws and Breaking Barriers for Women's Economic Empowerment in Egypt, Jordan, Morocco and Tunisia[1]

This report builds on the conclusions of the first monitoring report released in 2017, and analyses recent legislative, policy and institutional reforms in support of women's economic empowerment in Egypt, Jordan, Morocco and Tunisia. The analysis seeks to identify success factors that have helped anchor reform and delivers actionable examples and practical tools for policy makers to help them transform policies into effective actions for women's economic empowerment.

The report states that at a time when many countries of the MENA region are looking to accelerate economic growth and build more stable, open societies, the results urge that greater women's economic empowerment holds one of the keys. It asserts that despite challenges some countries are facing in guaranteeing women equal access to economic opportunity, progress is underway and can be further nurtured through targeted, inclusive and coordinated policy actions.

[1] OECD/ILO/CAWTAR (2020), *Changing Laws and Breaking Barriers for Women's Economic Empowerment in Egypt, Jordan, Morocco and Tunisia*, Competitiveness and Private Sector Development, OECD Publishing, Paris, https://doi.org/10.1787/ac780735-en.

Governance

CORPORATE GOVERNANCE

Sr #	By	Reference	Date	Topic / Update link
1.	**Circulars & Press Releases**			
i.	SBP	EPD Circular Letter No. 21	21-Oct-2020	Framework for Managing Risks of Trade Based Money Laundering and Terrorist Financing
ii.	SECP	Circular No 33 of 2020	5-Nov-2020	Corona virus related contingency planning for general meetings of shareholders
iii.	SBP	IBD Circular No. 04	02-Dec-2020	Guidelines & Criteria for Establishing Islamic Banking Institutions (IBIs) & Commencement of Shariah Compliant Business & Operations by DFIs
iv	SECP	Press Release	03-Dec-2020	SECP approves framework for digital onboarding of investors
v.	SBP	BPRD Circular Letter No. 48	04-Dec-2020	Amendments in Prudential Regulations G-1(B)

International		
Sr #	**Topic**	**Links**
i.	Trading for Development in the Age of Global Value Chains	World Development Report – The World Bank
ii.	OECD report on Corporate Governance in Costa Rica	Corporate Governance in Costa Rica
iii.	World Bank report on International Debt Statistics	International Debt Statistics 2021
iv.	OECD report on Financing for Sustainable Development	Global Outlook on Financing for Sustainable Development 2021
v.	Basel Institute of Governance Report on Transparency in Corporate Reporting in South Africa	Transparency in Corporate Reporting: South Africa 2020

Pakistan

Circulars & Press Releases

i. **EPD Circular Letter No. 21 - Framework for Managing Risks of Trade Based Money Laundering and Terrorist Financing**

SBP has extended the deadline for Authorized Dealers to present the 'first review of the robustness of the bank's system and controls' under the Framework for Managing Risks of Trade Based Money Laundering & Terrorist Financing.

As per F.E Circular No. 04 dated October 14, 2019 and the instructions given in Para 6(l) of the framework, Authorized Dealers are responsible to place the first review of the robustness of the respective bank's system and controls in regard to compliance with the provisions of the framework, before the risk management committee of their board, not later than December 31, 2020. However, in view of comments from the banking industry amidst ongoing challenges due to the COVID-19 outbreak, it has been decided to extend this deadline up to June 30, 2021.

ii. **Circular No. 33 of 2020 - Corona virus related contingency planning for general meetings**

SECP issued a circular on the issue of coronavirus-related contingency planning for general meetings of shareholders, recognizing the responsibility that companies had to their shareholders and to limit their risks, while at the same time retaining the shareholders' right to vote on the proposed agenda at the Annual General Meetings (AGMs). SECP had previously issued Circular No 5 of 2020 directing listed companies, whose financial year ended on December 31, 2019, to modify their usual planning for annual general meetings in order to avoid large gatherings at one place.

Companies have been asked to consider provision of video link facilities, webinar or other electronic means. Further, companies shall provide email, WhatsApp number, mobile number or any other electronic means through which shareholders can provide comments/suggestions for the proposed agenda items of the AGM. It is the responsibility of the Company Secretary and Chairman of the meeting that comments/suggestions of the shareholders should be discussed in the meeting, and made part of the minutes.

The companies shall disseminate the aforesaid details to the shareholders through its website, the Pakistan Stock Exchange and addendum/notice in newspapers along with complete information necessary to enable them to access the facility. For special business, voting through postal ballot shall be considered.

iii. IBD Circular No. 04 - Guidelines & Criteria for Establishing Islamic Banking Institutions and Commencement of Shariah Compliant Business & Operations by Development Finance Institutions

SBP has updated guidelines and criteria for establishing Islamic Banking Institutions (IBIs), previously prescribed via IBD Circular No. 2 dated 29th April, 2004, as various developments have taken place in the licensing and regulatory regime for conventional and Islamic banking institutions (i.e. full-fledged Islamic banks, Islamic banking subsidiary and Islamic branches of conventional banks).

The revised guidelines and criteria, covering the following areas, are being issued to facilitate the existing conventional banks, DFIs, IBIs and potential new entrants to the industry:

a. Guidelines & criteria for setting up full-fledged Islamic Commercial Bank (Annexure-I).

b. Guidelines & criteria for setting up of an Islamic Banking Subsidiary by the existing Conventional Commercial Bank (Annexure-II).

c. Guidelines & Criteria for:

   - Opening of standalone Islamic Banking Branches (IBBs) by a Conventional Commercial Bank (Annexure-III).
   - Commencement of Shariah Compliant Business and Operations by a DFI (Annexure-III).

The guidelines and criteria shall be applicable with immediate effect and shall supersede the instructions issued vide IBD Circular No. 2 dated 29th April, 2004.

iv. Press Release - SECP approves framework for digital onboarding of investors

SECP has approved a ground-breaking initiative to enable all Pakistani resident and non-resident investors to open online accounts in the capital market. The new regime allows investors to open accounts with brokers from anywhere in the country without having to submit any documents physically or visit a broker. This new account opening system is a continuation of SECP’s reform agenda that aims at enhancing investor outreach, introducing digitization and ensuring robust growth of the capital markets.

The new process is expected to enable investors to commence trading swiftly; however, in order to ensure maximum investor protection, an alternate online Customer Verification process has been introduced as well for opening of the online accounts. Online verification will be conducted independently by the Centralized KYC Organization. Further, the account opening process has been made simpler by reducing the number of pages to be signed by investors.

It is expected that the new regime would revolutionize Pakistan’s capital markets and contribute significantly towards economic growth in the country by channeling investments and savings through the development of the market.

v. **BPRD Circular Letter No. 48 - Amendments in Prudential Regulations G-1(B)**

Para 10 of Regulation G-1(B) of State Bank of Pakistan's (SBPs) Prudential Regulations for Corporate/Commercial Banking, on the 'Responsibilities of the Board of Directors' allows the Board to form specialized committees with well-defined objectives, authorities and tenure. It further provides that such committees of the Board should neither indulge in day-today affairs/operations of the bank nor involve enjoy any credit approval authority for transaction/limits.

SBP has now decided to add Para 10A to the above-mentioned Regulation G-1(B) as under:

> *"10A. The Board of those banks which are operating as subsidiary of a foreign bank and joint venture DFIs, if deemed absolutely necessary, may delegate authority to a relevant committee of the Board to review/approve credit facilities over and above minimum threshold as determined by the Board of Directors. Further, such Board Committee must be chaired by a director having relevant experience to review/approve credit facilities. However, the management shall not be absolved of its responsibility of properly scrutinizing the credit proposals in terms of Bank's/DFI's approved credit policy and managing such credit on day to day basis."*

SBP has advised all concerned Banks/DFIs to follow the amended regulation in letter and spirit. Any deviation or non-compliance of the same shall attract punitive action under the relevant provisions of the Banking Companies Ordinance, 1962.

International

i. Trading for Development in the Age of Global Value Chains - The World Bank.

A global value chain (GVC) breaks up the production process across countries; firms specialize in a specific task and do not produce the whole product. Since GVC's expansion in 1990s, poorer countries have grown fast and begun to catch up with their richer counterparts through GVCs, with poverty sharply falling (steepest decline was in Bangladesh, China and Vietnam).

The growth of GVCs has plateaued in recent years, facing two major threats: automated labour such as 3D printing, and trade conflict amongst countries. The report explores whether GVCs still rank as an efficient path for developing nations to grow socioeconomically. The report examines the degree by which GVCs have contributed to growth, jobs and reduced poverty - but also inequality and environmental degradation. It also identifies inadequacies in the global trade system that have created disagreements, while also outlining a roadmap to resolving them through greater international cooperation.

Further, the Report highlights what can be done by countries that have been largely left out of the GVC revolution. Important steps such as:

- speeding up customs procedures and reducing border delays can yield big benefits for countries making the transition from simply exporting commodities to basic manufacturing.
- strengthening the rule of law reinforces trade as well.
- investments that improve connectivity by modernizing communications and roads, railways, and ports are also helpful.
- Liberalizing road, sea, and air transport is also important, and in fact is often less costly.
- developing countries need to expand social assistance and improve compliance with labor regulations in order to distribute the jobs and earnings gained from participation in GVCs to more people across society.
- ensure that the growth associated with trade does not lead to environmental degradation.

Meanwhile, governments need to cooperate with one another beyond the traditional trade issues to ensure that trade and GVCs can deliver on developmental goals. Cooperation on corporate taxes will enable governments to better tax capital in a global, digitalized economy, so that they have the resources to finance infrastructure projects and social policies.

ii. OECD Report - Corporate Governance in Costa Rica.

New models of cooperation are needed for data flows to strike a balance between the privacy of citizens and the needs of business and innovators. The expansion of trade and GVCs is at an inflection point. According to the report there is still time to reinvigorate growth, trade, and GVCs. Trade is vital for development, but it needs rules to function smoothly and those rules require cooperation by governments.

This review of Corporate Governance in Costa Rica was prepared as part of Costa Rica's accession process for membership of the Organization for Economic Co-operation and Development (OECD) membership. During the three-year period of the review, the government made substantial progress in strengthening its institutional and legal framework in line with the G20/OECD Principles of Corporate Governance and OECD Guidelines on Corporate Governance of State-Owned Enterprises (SOEs).

The report evaluates Costa Rica's corporate governance policies and practices for both listed and state-owned companies. It finds that while Costa Rica's capital market is quite small, its framework for corporate governance of listed companies is largely consistent with the OECD Principles. Costa Rica has seen particular progress in issuing a new corporate governance code and requirements related to ownership disclosure. For SOEs, which play a key role in the Costa Rican economy, the Presidency has taken important steps to establish a co-ordinating unit which has spearheaded numerous reforms. These reforms include issuing a government ownership policy, more transparent and structured appointments of SOE board members (while removing politicians from boards), and reporting on SOEs' performance.

To further strengthen SOE performance and accountability, the report recommends additional steps to improve board practices, clarify performance objectives and implement International Financial Reporting Standards.

iii. **World Bank Report - International Debt Statistics 2021**[2]

International Debt Statistics (IDS) is a longstanding annual publication of the World Bank, now in its 47th year, featuring external debt statistics and analysis for 120 low-and middle-income countries that report to the World Bank Debt Reporting System (DRS).

IDS provides a unique data set that aims to shape solutions that will be needed in the coming years. It shows a creditor landscape that is changing quickly—with developing countries borrowing from new sources of bilateral and commercial financing and increasingly complex debt instruments. These trends compound the difficulty of managing COVID-19-related debt crises, adding to the need for more transparent and detailed debt data.

The content coverage of IDS 2021 includes:

- a user guide describing the IDS tables and content, definitions and rationale for country and income groupings, data notes, and description of the additional resources and comprehensive datasets available to users online,
- a brief overview analyzing global trends in debt stocks and debt flows to low- and middle-income countries within the framework of aggregate capital flows (debt and equity),
- a feature story on the World Bank and IMF Debt Service Suspension Initiative (DSSI) in response to the Covid-19 pandemic,
- tables and charts detailing debtor and creditor composition of debt stock and flows, terms volume and terms of new commitments, maturity structure of future debt service payments and debt burdens, measured in relation to GNI and export earnings for each country, and
- one-page summaries per country, plus global, regional and income-group aggregates showing debt stocks and flows, relevant debt indicators and metadata for 5 years (2015-2019).

This year's report provides more detailed data on external debt—including breakdowns of what each borrowing country owes to official and private creditors in each creditor country, and the expected month-by-month debt-service payments owed to them through 2021.

[2] World Bank. 2021. International Debt Statistics 2021. Washington, DC: World Bank. doi:10.1596/978-1-4648-1610-9. License: Creative Commons Attribution CC BY 3.0 IGO

iv. **OECD Report - Global Outlook on Financing for Sustainable Development 2021.**

The Global Outlook on Financing for Sustainable Development 2021 report calls for collective action to address both the short-term collapse in resources of developing countries as well as long-term strategies to build back better following the outbreak of the COVID-19 pandemic.

The gap in financing to achieve the Sustainable Development Goals (SDGs) in developing countries was estimated at several trillions of dollars annually before the pandemic. The report demonstrates that progress to 'leave no one behind' has since reversed, and the international community faces unprecedented challenges to implement the holistic financing strategy set out in the Addis Ababa Action Agenda (AAAA)[3].

The report finds that trillions of dollars in financial assets held by asset managers, banks and institutional investors are contributing to inequalities and unsustainable practices. It highlights the need to enhance the quality of financing through better incentives, accountability and transparency mechanisms, integrating the long-term risks of climate change, global health, and other non-financial factors into investment decisions.

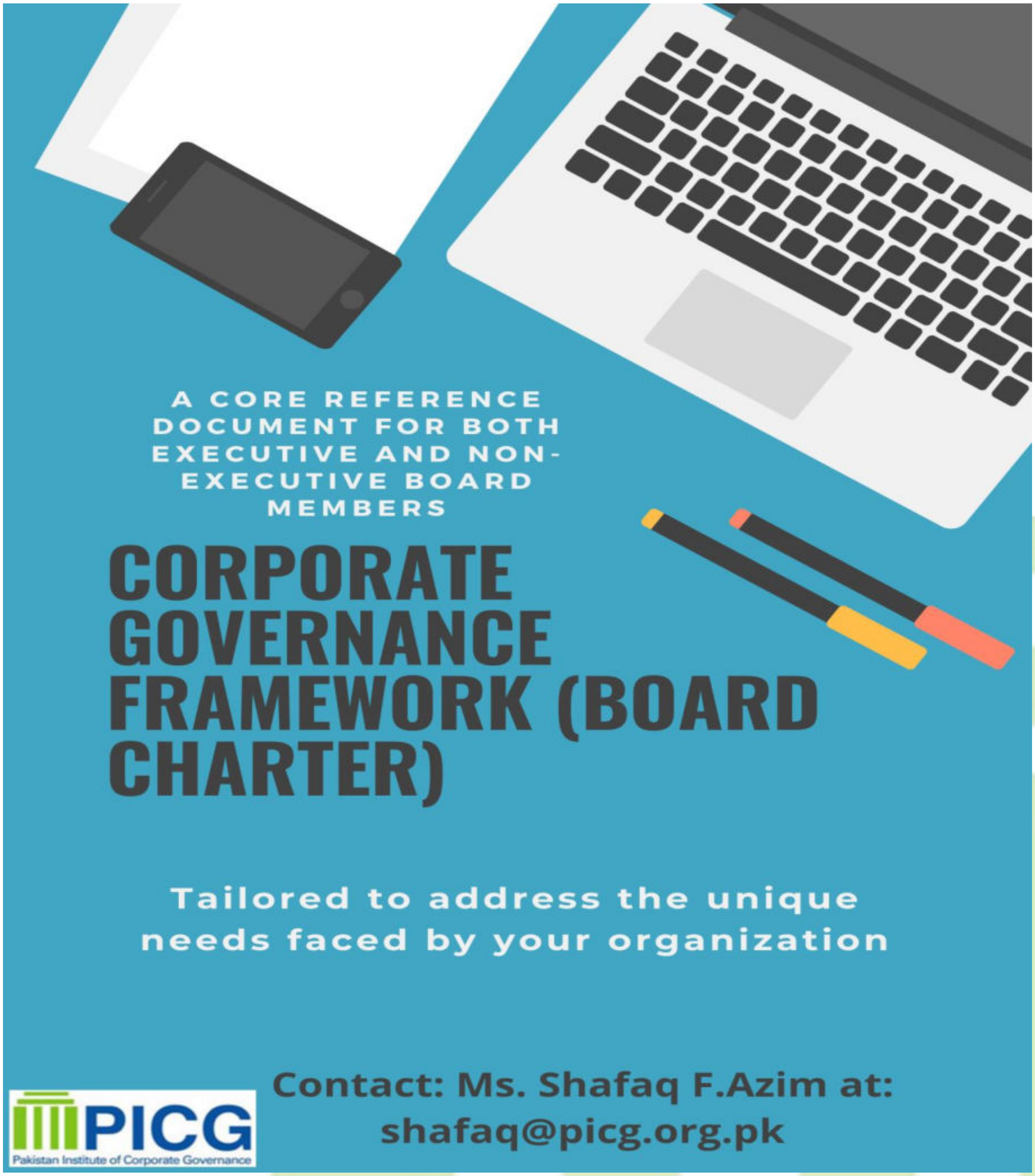
The report concludes with a plan of action for all actors to work jointly to reduce market failures in the global financial system and to seize opportunities to align financing in support of the 2030 Agenda for sustainable development.

v. **Basel Institute of Governance Report - Transparency in Corporate Reporting: South Africa 2020.**

This report examines the corporate governance practices of 100 corporations operating in South Africa. Its methodology and findings highlight the importance of active engagement in Collective Action as part of anti-corruption compliance programmes and reporting. The report concludes that the fight against corruption cannot be waged within individual corporations alone, but must extend across a broad scope of organisations, within and outside the business sector. An all-encompassing collective action is required by the corporate sector, as well as its interaction and co-operation with other elements of society similarly engaged in fighting corruption – what could be defined as an "all of society" approach.

The report states that there is a case to be made for collaboration on anti-corruption programmes with a range of other stakeholders, including NGOs, civil society organisations, academic or media organisations, and the public sector. The assessment also covers whether or not companies engage actively in Collective Action, calling it a "crucial element" in corruption prevention alongside transparency, training, risk assessments and control systems.

[3] The Addis Ababa Action Agenda (AAAA) provides: A comprehensive set of policy actions by Member States, with a package of over 100 concrete measures to finance sustainable development, transform the global economy and achieve the Sustainable Development Goals.



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