



**Organisation for Economic Co-operation and Development**  
*In co-operation with the World Bank Group*

# **JOINT MEETING OF SOUTH EAST EUROPE AND EURASIA CORPORATE GOVERNANCE ROUNDTABLES**

**16 February 2006**

*Corporate Governance of State-Owned Enterprises*  
*Corporate Governance of Banks*

## **AGENDA**

**Ramada Plaza, Osmanbey-Sisli, Istanbul  
Turkey**

*Meeting Co-Hosted by*  
**The Federation of Euro-Asian Stock Exchanges**



*With the Support of*

**The Government of Japan**  
**The Global Corporate Governance Forum**



**Objectives of the Joint Meeting**

*The two Roundtables will meet jointly to consider for the first time the recently adopted OECD Guidelines on Corporate Governance of State-Owned Enterprises. The Guidelines will be presented and experts from OECD member countries and representatives from the two Roundtables will exchange their experiences with a view toward supporting efforts to improve SOE governance in the region, particularly in relation to the role of the state as shareholder and the board of state-owned enterprises. This meeting will also address the role of banks in corporate governance, particularly in view of recent developments in this field.*

**08:30 – 09:00 REGISTRATION**

**09:00 – 09:30 OPENING SESSION**

Welcoming and opening remarks

- **Mr Osman Birsen**, President, Federation of Euro-Asian Stock Exchanges
- **Mr Korkmaz Ilkorur**, Chairman of Corporate Governance Working Group, Turkish Industrialists' and Businessmen's Association (TÜSIAD), Turkey
- **Mr Rainer Geiger**, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD

**09:30 – 10:15 SESSION 1: Why is Good Corporate Governance of State-Owned Enterprises Important?**

Issues to be discussed:

*Corporate governance of state-owned enterprises is a major challenge in many economies. The OECD published its Guidelines on Corporate Governance of State-Owned Enterprises in 2005, thereby providing for the first time an international benchmark in this field. The major challenges to reform of corporate governance of state-owned enterprises ("SOEs") concern the balance between active exercise of ownership functions by the state and avoiding undue political interference on the management of the company, as well as to ensure a level playing-field and fair competition with private-sector companies. The objective of this session is to set the context for the ensuing sessions on SOEs.*

Chair:

- **Mr Rainer Geiger**, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD

Presentation:

- **Ms Mathilde Mesnard**, Administrator, Corporate Affairs Division, OECD – *Introduction to the OECD Guidelines on Corporate Governance of State-Owned Enterprises*

Floor discussion

**10:15 – 11:30      SESSION 2: The State as Shareholder**

Issues to be discussed:

*According to the OECD Guidelines on Corporate Governance of State-Owned Enterprises, “the state should act as an informed and active owner and establish a clear and consistent ownership policy, ensuring that the governance of state-owned enterprises is carried out in a transparent and accountable manner, with the necessary degree of professionalism and effectiveness.” The session addresses the role of the state in the governance of SOEs within SEE and the Eurasian region, and a comparison with the experience in, and the lessons to be learned from, other transition and emerging markets is made. The objective is to emphasize the reasons for, and the importance of, good corporate governance of SOEs (especially, to protect non-state shareholders and to increase performance as well as attractiveness for investors).*

Chair:

- **Mr Daniel Blume**, Principal Administrator, Corporate Affairs Division, OECD

Presentation:

- **Mr Cyril Lin**, Managing Director, IFG Development Initiatives Ltd., United Kingdom - *Corporate Governance of SOEs in Central Asia: A Comparative View*

Discussants:

- **Ms Olha Trypolska**, Deputy Director, Association of Investment Business, Ukraine
- **Mrs Petra Alexandru**, Executive Director, Bucharest Stock Exchange, Romania
- **Mr Pawel Calski**, Ministry of Finance, Poland

**11:30 – 11:50      Coffee Break**

**11:50– 13:15      SESSION 3: Boards of State-Owned Enterprises**

Issues to be discussed:

*Empowering and improving the quality of boards of SOEs is of fundamental importance for improving the corporate governance of SOEs. Therefore, boards must have, in particular, the necessary competency and independence and exercise their functions without undue political influence. This session considers different approaches to improving the functioning of SOEs’ boards and discusses the necessity of and ways to achieve fair treatment of the other shareholders.*

Chair:

- **Mr Chris Pierce**, CEO, Global Governance Services Ltd, United Kingdom

Presentation:

- **Mr Thomas S. Geiran**, Deputy Director, Department of Ownership, Ministry of Trade and Industry, Norway - *Distinctive Features of the Corporate Governance in SOEs*

Discussants:

- **Dr Plamen Tchipev**, Senior Researcher, Institute of Economics, Academy of Sciences, Bulgaria
- **Mr Enrique Sanchez-Armass**, Senior Corporate Governance Officer, IFC

**13:15 – 14:45 Lunch Break**

**14:45 – 16:15 SESSION 4: The Role of Banks in Corporate Governance**

Issues to be discussed:

*As recognised, in particular, in the Comparative Overview of the Eurasia Roundtable, the improvement of regulation and corporate governance of banks is a reform priority in that region. In both regions banks still play a far greater role in financing companies than the capital markets, which could also place greater responsibility on banks for improving corporate governance of companies of which they are creditors. Participants will hear about the work currently underway in updating the BIS Guidance on Corporate Governance of Banks. The panel will discuss, in particular, experience in reforming the corporate governance of banks, the differences in corporate governance between banks and non-bank companies, the relevance of good corporate governance in the rating process of banks, and experience gained from the work of the Task Force on Corporate Governance of Banks in Asia undertaken in the framework of the OECD Asia Corporate Governance Roundtable. The objective of this session is to identify issues of relevance for further reforms in the regions.*

Chair:

- **Mr Aurelian Dochia**, Managing Director, BRD - Société Général Group, Romania

Presentations:

- **Mr Kirk Odegard**, Member of Secretariat, Bank for International Settlements – *The Basel Committee's Guidance on Corporate Governance of Banks*

Discussants:

**Joint Meeting of South East Europe Corporate Governance Roundtable and Eurasia Corporate Governance Roundtable  
16 February 2006**

- **Mr Moto Yufu**, Principal Administrator, Outreach Unit for Financial Sector Reform, OECD
- **Mr Armen Mathevosyan**, Head of Internal Control Department, Bank Republic, Georgia
- **Mr Kenneth Bertsch**, Managing Director of Corporate Governance Analysis, Moody's Investors Service, USA

**16:15 – 17:00 CONCLUDING SESSION**

*The conclusions of the different sessions will be summarised. Roundtable participants will also consider how far discussions on SOEs should be prioritised for future discussions of the two Roundtables.*

Chair:

- **Mr Rainer Geiger**, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD

**20:00 – 21:30 GALA DINNER hosted by ITO at the ITO KORU TESISLERI RESTAURANT**

## Notes to the Agenda

### General Structure of the Sessions

- Each session will be organised in the following way:
  - Brief opening presentation and introduction of the participants (main speakers and discussants) by the Chairman: 5 minutes maximum
  - Main presentation: about 10 - 15 minutes
  - Discussion: each discussant is invited to limit his/her initial comments/presentation to 5 minutes.
  - Questions from the floor and general discussion: 30 minutes
  - Chairs will summarise the discussion and highlight the main conclusions of the session.
  
- These time limits are required in order to give ample room for discussion of all participants. Bearing in mind that one of the objectives of the Roundtable is to create an open and active dialogue in a collegial atmosphere we ask the following:
  - All participants are encouraged to speak and ask questions during the periods allotted to general discussions,
  - Panel discussants are also encouraged to participate in the general discussion, take questions and expand on their initial comments,
  - Chairs are kindly requested to lead the general discussion and ensure that speakers and discussants respect the agreed time limits of each session.

Please note that the working language of the meeting will be English and Russian.

*\* Indicates a speaker yet to be confirmed*

### Background Information on the Eurasia Corporate Governance Roundtable

Since its launch in Ukraine in October 2000, the Eurasia Corporate Governance Roundtable has met annually and brought together key players from both public and private sector institutions in the region involved in corporate governance along with experts and policymakers from OECD member countries. The scope of the Roundtable facilitates the exchange of experiences between regional representatives and other international participants and serves as an important opportunity to discuss in-depth recent and on-going developments in corporate governance reforms in Eurasia.

Eurasian countries taking part in the Roundtable include Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, Mongolia, Ukraine and Uzbekistan. Previous meetings of the Eurasia Corporate Governance Roundtable discussed the main features of the corporate governance landscape in the region, shareholder rights and equitable treatment of shareholders, and transparency and disclosure. In May 2004, "Corporate Governance in Eurasia: A Comparative Overview", the report representing the main output of the discussions and country studies, was released. Additional information on the Eurasian Corporate Governance Roundtable process, previous meetings and background documents can be found on the OECD web-site <http://www.oecd.org/daf/corporate-affairs/roundtables/>.

**Background Information on the South East Europe Corporate Governance Roundtable**

The South East Europe Corporate Governance Roundtable was launched in Bucharest, Romania, in September 2001. (Participating countries from the region are Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Former Yugoslav Republic of Macedonia, Romania, Serbia and Montenegro.) It is carried out within the global framework of the co-operation between the OECD and the World Bank Group with a view to improving corporate governance in the region and promoting international dialogue between regional representatives from both public and private sectors and experts from OECD member countries.

In the four years since the Roundtable was established, five meetings have taken place, and issues covered include shareholders' rights and equitable treatment; transparency and disclosure; and responsibilities of the board and the role of stakeholders. These discussions culminated in the successful launch of the White Paper on Corporate Governance in South East Europe which proposed practical recommendations for reform.

With the release of the White Paper in 2003, the South East Europe Roundtable has now entered the second phase of its programme, focusing on implementation of White Paper recommendations and priorities.