



# Russian Corporate Governance Roundtable Meeting

Moscow, 27 – 28 October 2008

Meeting co-hosted by the Ministry for Economic Development, Russia



# **The Effectiveness of the Boards of State- Owned Enterprises**

## **Moscow, October 27 and 28 200**

**Lars Johan Cederlund**

**Senior advisor**

**Chairman OECD Working Group on Privatisation  
and Corporate Governance of State Owned  
Assets**



# OECD Guidelines on The role of the State as owner

- **Transparency**
- **Level playing field**
- **Separate shareholder activity and regulatory decisions**
- **Professional shareholder**
- **Non-interference in day-to-day activities**

# Evaluation of Boards, a permanent process

- **Continuous evaluation of value creation and boards by the owner**
- **Internal evaluation of the work in the Board a yearly**
- **Direct representatives from the owners different organisations?**
- **Transparent recruitment process**

# The Government's nomination of board members

- **Clear and communicated assignments concerning main strategies, financial and other objectives shared by owner, board and CEO**
- **Competence required**
- **Clear division of responsibilities between regulation and ownership roles**
- **Double exposure, to owner and to company**
- **Not act as political appointee in board or only advocate company interests at the Ministry**
- **Both competence and extremely good judgement is needed**
- **Create trust in your person in both environments!**