



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

A Flagship Regional Program of the Investment Compact for South East Europe

Investment Compact
South East Europe

**FOURTH SOUTH-EASTERN EUROPE
CORPORATE GOVERNANCE
ROUNDTABLE**

**Discussion and Finalisation of the White Paper on
Corporate Governance in South-Eastern Europe**

Meeting Hosted By



**Securities Commission
of the Federation of Bosnia and Herzegovina**

Sponsored By

**Deutsche Gesellschaft Für Technische Zusammenarbeit (GTZ)
and
The Global Corporate Governance Forum**



**Meeting Sponsored By
UNITED STATES AGENCY FOR
INTERNATIONAL DEVELOPMENT**

SYNTHESIS NOTE

Sarajevo, Bosnia and Herzegovina
6-7 March 2003
Holiday Inn Sarajevo
Zmaja od Bosne 4, 71000 Sarajevo

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I. General

The South-Eastern Europe Corporate Governance Roundtable was established in September 2001, and is organised by the OECD in co-operation with the World Bank Group and key regional partners. It is also a Flagship Regional Program of the Investment Compact¹ and receives financial support from the Deutsche Gesellschaft Für Technische Zusammenarbeit (GTZ) and the Global Corporate Governance Forum.

The 4th meeting took place in Sarajevo on 6-7 March 2003 and was co-hosted by the Securities Commission of the Federation of Bosnia and Herzegovina. This meeting was organised principally to discuss and finalise the White Paper on Corporate Governance in South Eastern Europe and discuss follow up work of the Roundtable. Corporate governance in Bosnia-Herzegovina and recent developments in the US and the European Union were also discussed during the two-day meeting. The meeting brought together a group of over 60 highly qualified senior policy-makers and private sector practitioners from the seven regional countries: Albania, Bosnia-Herzegovina, Bulgaria, Croatia, FYROM, Romania, Serbia and Montenegro and from five OECD member countries namely, Greece, Poland, Spain, UK and the US. The meeting also drew together experts and representatives from regional and international organisations such as the World Bank, The Trade Union Advisory Committee (TUAC), the U.S. Agency for International Development (USAID) and the Center for International Private Enterprise (CIPE).

The meeting was opened by Mr. Edib Bašić, President of the Securities Commission of the Federation Bosnia and Herzegovina, Mr. Rainer Geiger, and Mr. Howard Sumka, Mission Director, Bosnia-Herzegovina, USAID. The opening remarks emphasised the importance of improving corporate governance in Bosnia-Herzegovina and the region as a whole, and the key role that corporate governance continues to play as part of the Stability Pact for Southeastern Europe.

Documentation from this and previous meetings, including agendas, presentations, background papers and the draft White Paper, can be found on the OECD Corporate Affairs website at www.oecd.org/daf/corporate-affairs.

II. Discussions and Main Conclusions

After the opening remarks, two local experts gave presentations on corporate governance in Bosnia and Herzegovina. Then came the discussion of the White Paper on Corporate Governance in South Eastern Europe. This document is based on the three previous meetings of the Roundtable. Following the OECD Principles of Corporate Governance it has chapters on the Rights and Equitable treatment of Shareholders, the Role of Stakeholders, Transparency and Disclosure and the Responsibilities of the Board. As with previous meetings, the sessions featured lively discussions with both specific and general comments that will be reflected in the final White Paper.

¹ The Investment Compact, adopted in February 2000, is a vital part of economic reform activities to be carried out under Working Table II of the Stability Pact for South Eastern Europe, dealing with Economic Reconstruction, Co-operation and Development.

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The meeting was concluded with presentations on the recent developments in corporate governance in the EU and the US. The latter focused on the proposed EU takeover directive and the Sarbannes-Oxley act, respectively.

III. Next Steps

The White Paper should be finalised in early May and will then be presented at national and regional levels. Follow-up work could take the form of the creation of working parties for more in-depth discussion of certain topics such as conflicts of interest and the market for corporate control. Finally the Roundtable may have a general meeting to discuss the ongoing implementation of the White Paper.