



MENA-OECD Investment Programme

Working Group 5

“ADVANCING THE CORPORATE GOVERNANCE AGENDA IN THE MENA REGION”

14 (pm) – 15 September 2005
Rabat, Morocco

DRAFT AGENDA

Organised by

The OECD Co-Chairs of Working Group 5

In cooperation with

The MENA Regional Corporate Governance Forum and

Hosted by

Ministère des Affaires Économiques et Générales et la Confédération Générale
des Entreprises du Maroc

Objectives of the meeting

The aim of this meeting is to discuss progress on corporate governance initiatives and output areas as defined by the February consultative meeting of the OECD Middle East and North Africa (MENA) Working Group 5 on Improving Corporate Governance. It is organised in co-operation with the MENA Regional Corporate Governance Forum, together with the Global Corporate Governance Forum¹ (GCGF), the International Finance Corporation (IFC) and the Centre for International Private Enterprise (CIPE).

The objectives of the meeting are as follows:

- Discuss initial results of the survey of corporate governance (CG) frameworks in the region and identify further work to be undertaken in order to provide a draft for the MENA OECD Ministerial meeting scheduled in November 2005;
- Examine progress with the corporate governance output areas, including in addition to the survey: CG of banks, CG codes, CG of non-listed companies, CG of state-owned enterprises (SOEs), awareness raising;
- Discuss recommendations on future action that could be presented to the MENA Investment Ministerial to be held in November 2005
- Familiarise participants with the new OECD Guidelines on CG of SOEs

Working Group 5 and the MENA Regional Corporate Governance Forum

Working Group 5 has the mandate to co-ordinate the contribution of various national institutions dealing with corporate governance issues to the MENA - OECD Investment Programme. It will organise its work in three phases, involving *(i)* stock taking, *(ii)* development of country specific and regional policy advice and initiatives; as well as *(iii)* assessing progress in policy implementation.

Working Group 5 constitutes a network of senior policy makers, regulators and market participants from the region, involving also OECD experts and representatives of international organisations. It will co-operate with the MENA Regional Corporate Governance forum, launched by MENA countries, the GCGF and CIPE in 2003 with additional support from the OECD and the World Bank. Working Group 5 will work closely with home grown regional and country specific initiatives and institutions, such as the Regional Corporate Governance Institute to be established by the United Arab Emirates in Dubai, the Union of Arab Banks, and others.

¹ Using the OECD Principles of Corporate Governance, the OECD and the World Bank Group (WB) work co-operatively to improve corporate governance in emerging and transition economies. To this end, they created the Global Corporate Governance Forum (GCGF), which provides financial support. One important outcome of the agreement between the OECD and the WB has been the establishment of Regional Corporate Governance fora aiming to promote good governance in Africa, Asia, China, Eurasia, Latin America, the MENA, Russia and South East Europe.

The Rabat meeting of the MENA-OECD Working Group 5 on Improving Corporate Governance

The presentations and discussions by the participants will be made in sessions, focusing on the following:

- Session I: Initial results from the MENA Comparative Corporate Governance Survey and the way forward to its completion
- Session II: The MENA experience with the development and enforcement of corporate governance codes
- Session III: The frameworks and practices of SOE governance in the region
- Session IV: Corporate Governance reforms in Morocco
- Session V: Progress with WG5 output areas and other regional and country specific corporate governance initiatives
- Session VI: Conclusions and next steps

Main speakers will make presentations of about 10-15 minutes each, while discussants will provide shorter interventions to help launch the general discussion. Speakers are requested to keep their presentations within the proposed time limitations in order to leave ample time for debate and discussion. During the last session, brief conclusions from the different sessions will be presented. It will also constitute an opportunity for participants to discuss the next steps in furthering the activities of WG 5 and the MENA Regional Corporate Governance Forum.

Draft Agenda

Wednesday 14th September 2005

13:30 - 14:00 Registration

OPENING SESSION

14:00 - 14:30 Welcoming remarks

- *Morocco*

Opening address

- *WG5 co-chairs: Dr. Nasser Saidi*, Chairman of the Lebanon Corporate Governance Task Force and *Dr. Rainer Geiger*, Deputy Director for Financial and Enterprise Affairs, OECD

Introductory remarks

- *Mr. Michael Higgins*, Senior Operations Manager, International Finance Corporation, World Bank Group

SESSION I

Initial results from the MENA Comparative Corporate Governance Survey and the way forward to its completion

14:30 - 16:00 **Chair:** *Dr. Nasser Saidi*, co-chair of MENA OECD Working Group 5

Rapporteur: *Jordan*

Presentations:

- Ownership structures in the MENA and their implications for corporate governance, *Mr. Ghassan Omet*, Associate Professor, University of Jordan
- Outcome of the survey questionnaires and initial analysis, *Ms. Elena Miteva*, Administrator, OECD

Discussants:

- Corporate Governance Surveys of Listed Companies in the MENA: focus and potential synergies with the WG5 survey, *Dr. Mowafak Al Yafi*, Arab Federation of Certified Public Accountants; *Mr. Hameed Rahma*, Director of Company Affairs, Ministry of Commerce, Bahrain

General discussion

Participants from each country participating in the survey will be invited to comment on its results and their implications for corporate governance improvement.

The objective of the session will be to elicit a substantive discussion on the results of the survey and what they mean for corporate governance in the region. Additional objectives will include identifying information gaps, proposing additional sources of information and exploring issues which require greater attention.

In doing this, participants will build on the relevant recommendations of the second meeting of the MENA RCGF. The discussions will also serve as an input regarding future methodological and substantive work to be carried out in the framework of WG5.

16:00 - 16:30 *Refreshments*

SESSION II

The MENA experience with the development and enforcement of CG Codes

16:30 - 18:00 **Chair:** *Dr. John Sullivan*, Executive Director, CIPE

Rapporteur: *Jordan*

Presentation:

- Global Corporate Governance Forum: Toolkit on CG Codes, *Ms. Marie-Laurence Guy*, GCGF

Panel Discussion:

- *Mr. Marwan Al Sammak*, Member of the Board, Alexandria Business Association, Egypt
- *Mr. Jalil Tarif*, Executif Manager, Amman Stock Exchange, Jordan
- *Mr. Saleh Hussain*, Bahrain Bankers' Society
- *Ms. Nada Abu Samra*, Member of the Board, Lebanese Transparency Association

General discussion

Codes can play an important role in the corporate governance frameworks of successful market economies. A number of MENA countries have taken concrete steps in preparing codes, which reflects the growing importance

of the quality of corporate governance for foreign and domestic investors.

Representatives of MENA countries will share the results of their current work on corporate governance codes. They will focus on the scope of the codes, the issuing body, the process of their development and endorsement, and the planned measures for their adoption and implementation. The GCGF will introduce its recent Toolkit on CG Codes and its relevance to the MENA region.

Thursday 15th September 2005

SESSION III

The framework and practices of SOE governance in the region

09:00 - 11:00 **Chair:** *Dr. Nasser Saidi*, Co-chair of WG5

Rapporteur: *Mr. Hameed Rahma*, Director of Company Affairs, Ministry of Commerce, Bahrain

Presentations:

- Introduction to corporate governance of SOEs in the OECD and to the OECD Guidelines, *Mr. Grant Kirkpatrick*, Principal Administrator, OECD
- Ownership structures evolving after privatisation programmes and the resulting organisation and exercise of the ownership function in SOEs in Egypt, *Mr. Mohammed Omran*, Advisor to the Minister, Ministry of Investment

Discussants:

- The legal framework and practices of corporate governance of SOEs in Morocco, *Mr. Abdelaziz Talbi*, Directeur des Entreprises Publiques et de la Privatisation (Director, State-Owned Enterprises and Privatisation), Ministère des Finances et de la Privatisation
- *Mr. Olivier Frémond*, World Bank Group

General discussion

Despite important efforts to privatise, state ownership remains extensive in many sectors of MENA economies and the state has often retained shareholdings and other rights in the newly privatised companies. How MENA countries are responding to these challenges will be examined in this session.

SOEs face specific difficulties in terms of governance that cannot be addressed only

by the use of instruments designed for publicly listed corporations. To respond to such concerns, the OECD adopted specific Guidelines, which will be presented in order to elicit the discussion.

11:00 - 11:30 *Refreshments*

SESSION III (cont'd)

The framework and practices of SOE governance in the region

11:30 - 13:00 **Chair: Ms. Teresa Barger, Acting head of the Global Corporate Governance Forum and Director of the Corporate Governance Department, International Finance Corporation, World Bank Group**

Rapporteur: Morocco

Presentations:

- Board practices in SOEs in France, *M. Alain Turc*, Contrôleur d'Etat, Mission Gestion Publique Conseil, Ministère de l'Economie, des Finances et de l'Industrie

Discussants:

- Board practices in SOEs in Bahrain, *Mr. Hameed Rahma*, Director of Company Affairs, Ministry of Commerce
- Transparency and disclosure in enterprises with state participation, *Jordan*
- Main transparency and disclosure issues in Moroccan SOEs, *Mr. Boukhriss*, President National, Syndicat national des Experts Comptables et Commissaires aux comptes (Chair, National Union of Certified Accountants and Auditors)

General discussion

Participants will make presentations, discuss concrete cases / examples of SOE experiences and make interventions in the general discussions, focusing on selected topics, such as: the role of state agencies exercising the ownership function, transparency and disclosure issues and the responsibilities of board of directors.

13:00 - 14:30 *Lunch*

SESSION IV

Corporate Governance reforms in Morocco

14:30 - 16.00 **Chair:** *Mr. Abdessalam Abouddrar*, Secrétaire Général de la Caisse de Dépôt et Gestion

Rapporteur : *M. Soual*, Vice-Président, Commission Ethique et Bonne Gouvernance de la Confédération Générale des Employeurs Marocains (CGEM, Vice President, Ethics and Good Governance Commission, General Confederation of Moroccan Employers, CGEM)

Panel discussion on the current corporate governance issues and initiatives of the Moroccan Country Economic Team

- Enforcement :
Ms. Dounia Tarji, Directrice Générale du Conseil Déontologique des Valeurs Mobilières (Securities Commission),
Mr. Bouazza, Directeur de la Supervision Bancaire (Director, Banking Supervision), Bank Al Maghrib,
M. Mernissi, Professor

- Private sector initiatives:
Mr. Rachid Belkahia, Président, Commission Ethique et Bonne Gouvernance (Ethics and Corporate Governance Commission), CGEM
Mr. Ahmidouche, Président, Directoire de la Bourse des Valeurs de Casablanca (Chairman, Board of Directors, Casablanca Stock-Exchange)

General Discussion

Morocco has advanced significantly in reforming its corporate governance framework and practices.

Following its assessment in the framework of the World Bank Reports on the Observance of Standards and Codes (ROSC), Morocco has focused on the improvement of its corporate governance legal framework, including on SOEs. Presentations will briefly outline these changes and will more importantly, focus on the measures taken for their enforcement.

The private sector in Morocco is also increasingly focusing on promoting good corporate governance. Especially active in this respect are the Casablanca Stock Exchange and the employers association (CGEM), representatives of which will discuss the results of recent surveys and initiatives.

Break is not foreseen between sessions. However, refreshments will be served outside the meeting room.

SESSION V

Progress with WG5 outputs and other corporate governance initiatives

16:00 -17:30 **Chair:** *Dr. Nasser Saidi*, co-chair WG5

Rapporteur: Lebanon

Briefing by country co-ordinators of WG5 outputs:

- CG of banks, *Dr. Fouad Shaker*, Secretary General, Union of Arab Banks; *Mr. Sebastian Molineus*, Project Manager, International Finance Corporation
- CG of non-listed companies, *Dr. Fouad Zmokhol*, General Secretary, Lebanese Businessmen Association
- Raising awareness on CG, *Mr. Jassim Al Ajmi*, President, Bahrain Transparency Society, *Mr. Omar Al Jazy*, Jordanian Centre for Dispute Resolution

Briefings on national and international initiatives

- *Mr. Badri El Meouchi*, Lebanon CG Task Force; *Mr. Abdulhamid Ibrahim*, Member of the Board, Egyptian Institute of Directors and other country initiatives
- Regional Corporate Governance Institute, UAE
- *Mr. Talal Abu Hassan*, Program Officer, Centre for International Private Enterprise, *Mr. Sebastian Molineus*, Project Manager, International Finance Corporation

Participants are invited to take active part in the discussion of the latest initiatives in the output areas defined at the February consultative meeting of Working Group 5. Their input is sought in sharing progress and ideas for regional co-operation.

Options for co-operation on corporate governance with multilateral, regional and national institutions and progress with international and bilateral initiatives will also be explored. Finally, participants may take the floor for brief reports on local initiatives, such as work carried out by the Lebanon CG Task Force.

Conclusions and Next Steps

17:30 - 18.30 **WG 5 co-chairs: Dr. Nasser Saidi, Dr. Rainer Geiger**

Open discussion on future work

The co-chairs will present for the consideration of participants a set of recommendations for action that could be presented to the MENA Steering Group (3 October) and the MENA Investment Ministerial (17 November).

The role of country input, and in particular by Country Teams and CG Task Forces, will be examined.

Contact persons

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