



Hawkamah Institute and Regional Institutional Building

**MENA-OECD Steering Group Meeting
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As a regional institute, Hawkamah was created to:

- Bridge the Corporate Governance gap
- Assist the ***countries*** and ***companies*** of the region in developing sound, 'home grown' and globally well integrated CG frameworks:
 - Coordinate and sequence the designing, and implementation of CG reforms
 - Monitor the outcomes of CG policies at the public and private sector level.
- *"Hawkamah-ICG will serve as a platform for regional co-operation, based on a concrete agenda for measurable and time-bound action, aiming to raise awareness of national, regional and global initiatives and build a coalition for reform", Joint Declaration OECD-UAE, 2005.*
- Initially supported by OECD, International Finance Corporation (IFC), Center for International Private Enterprises, Dubai International Financial Centre, Union of Arab Banks, Young Arab Leaders
- Signed working MOUs with over 40 international and regional organizations, 8 corporate partners and 40+ corporate members

Key Activities: Regional Task Forces

Hawkamah has launched a series of regional task forces, aiming to build momentum for corporate governance reform in the region.

- **Regional Task Force on Corporate Governance of Banks** with OECD, Union of Arab Banks and Global Corporate Governance Forum (implement the policy recommendations from the policy brief) – policy brief issued and circulated to all Central Banks
- **Regional Task Force on Corporate Governance of State-owned Enterprises** with OECD (assess state of corporate governance of state-owned enterprises and build momentum for SOE CG agenda) – had 3 TF meetings and issued an initial benchmarking report; next meeting in June
- **Regional Task Force on Insolvency and creditor rights** with OECD, World Bank, IFC, INSOL International, UNCITRAL (assess insolvency regimes in the region with the aim towards modernization) – issued benchmarking report of 11 jurisdictions, FIRM organized
- **Regional Task Force on Corporate Governance of Insurance Industry** with the Arab Forum of Insurance Regulatory Commissions (develop a policy brief for increased CG implementation in the industry) – policy brief issued, regulators’ briefing, and industry engagement
- **Regional Task Force on Islamic Financial Institutions** with AAOIFI, IFSB and other Islamic financial institutions (develop a policy brief to identify and address CG implementation gaps) – surveyed 30 IFIs, 3rd TF meeting in June 2010
- **Regional Task Force on Private Equity** (develop a common CG standard for the industry, as well as their target companies which tend to be NLC’s and FOE’s)

Key activities

Creating Market Incentives

Hawkamah has launched a series of initiatives to create market incentives for corporate governance performers:

- **Hawkamah-UAB Bank Corporate Governance Awards** – going into its 4th year, the award is designed to assess corporate governance frameworks of regional banks and reward and identify corporate governance champions.
- **Behavioural Assessment Score for Investors and Companies (BASIC)** developed with The National Investor – going into its 3rd year, the scoring methodology ranks GCC listed companies on their transparency and disclosure practices and only reviews publicly available information.
- **Environment, Social and Governance Index** developed with Standard and Poor's, CRISIL, and IFC – creating a tradeable index for MENA companies on their disclosure on ESG matters. We have reviewed 389 companies from 11 different markets, reaching out to them to improve their disclosures, and engaging institutional investors (particularly the region's sovereign wealth funds) in the formation of the index

Lessons learnt

<i>Lessons learnt</i>	<i>Changes introduced</i>
<ul style="list-style-type: none"> •Private sector and industry engagement is crucial to success of CG in the region •Competition and identifying CG champions are powerful tools for reform 	<ul style="list-style-type: none"> •Development of a technical advisory group with representatives from various industries •Linking some of our policy work to the bank CG awards criteria

MENA-OECD Co-operation

<i>Achievements in the past</i>	<i>Challenges for the future</i>
<ul style="list-style-type: none"> •Annual conferences have been a way to move the CG agenda and discussions forward, with MENA OECD's support •Benchmarking reports and policy briefs allow for the region to discuss and prioritize CG reforms 	<ul style="list-style-type: none"> •Implementation of CG reforms and keeping the momentum (continued engagement of regulators will be key) •Inclusion of capital markets, FOEs, SWF's into the work •Sustainability of the regional initiatives - need to balance public-private support