



AGENDA

2019 MENA-OECD WORKING GROUP ON CORPORATE GOVERNANCE

Taking Action for Sound Corporate Governance

17-18 April 2019

OECD Conference Centre, CC15
Paris, France

Context

The MENA-OECD Initiative on Governance and Competitiveness for Development facilitates co-operation between the OECD and MENA economies to promote policies for sustainable and inclusive growth. Since 2005, the Initiative addresses regional needs and development priorities, and takes into account the region's diversity by providing targeted support to participating jurisdictions, building on the OECD's work methods of analysis, policy dialogue, exchange of good practices and capacity building for the implementation of reforms.

The Initiative's strategic orientations and policy priorities for the period 2016-2020 were endorsed at the MENA-OECD Ministerial Conference held on 3-4 October 2016 in Tunisia, where Ministers and senior government officials endorsed the Tunis Declaration.

Under the MENA-OECD Competitiveness Programme, one of two components of the MENA-OECD Initiative, the MENA-OECD Working Group on Corporate Governance aims to foster a policy dialogue around sound corporate governance of listed and state-owned enterprises in the MENA region. The Working Group brings together representatives from Securities Regulators, Central Banks, Ministries, Stock Exchanges, Corporate Governance Centres and other public and private sector actors committed to improving corporate governance policies and practices in the region.

The new phase of the MENA-OECD Working Group on Corporate Governance was launched in Rabat, Morocco in December 2017 with an overall understanding that corporate governance is an essential building block for MENA economies to boost competitiveness, attract capital, develop the private sector and promote investment. The objective of this third meeting to be held in Paris, France is to strengthen the commitment of MENA economies and establish strategies for implementation, using as reference the G20/OECD Principles of Corporate Governance and the OECD Guidelines on Corporate Governance of State-Owned Enterprises. The work on corporate governance feeds into and draws on other work streams under the MENA-OECD Competitiveness Programme.

Participants of the MENA-OECD Working Group are encouraged to engage in an open dialogue on major developments and challenges in their jurisdictions, including enforcement efforts as well as discuss and analyse implementation to support viable and effective corporate governance reforms. Informal peer review of corporate governance policy frameworks and practices in the region, benefitting from international experience, peer dialogue and mutual learning will also be adopted throughout.

In 2017, the Working Group identified four strategic issues for corporate governance in the region: access to capital; transparency and disclosure; gender balance in corporate leadership, and; governance of SOEs. In 2018, the Working Group discussed policy options for reform in these four areas. In 2019, the Working Group will launch the report 'Corporate Governance in MENA: Building a Framework for Competitiveness and Growth' (herein after the 'Working Group Report'). The discussion will assess strategies for reforms and focus on the implementation of policy options identified in the Working Group Report. The following topics will be addressed throughout the meeting:

- Corporate governance as a driver for investment and economic growth in MENA
- Developing strategies to improve access to capital
- Taking action for greater transparency and disclosure
- Making it happen: Gender balance in corporate leadership
- Implementing change to boost the corporate governance of State-Owned Enterprises
- Implementing the G20/OECD Principles: Regulation versus corporate culture
- Future steps for co-operation between the OECD and MENA economies

Guidance for moderators, introductory speakers, panellists and participants

Moderators are invited to provide a brief introduction outlining the key issues for their session, to maintain the focus on the theme of their session, manage time strictly and encourage open discussion among participants to draw out specific country experiences and conclude with agreed points.

Introductory speakers are invited to present the key findings of the Reports, and share good practises from the region, in less than 20 minutes, to leave ample time for the open discussion that follows.

Panellists will be invited by the moderator of each session to make a 5 minute introduction with their key messages. The moderator will then kick off the discussion with questions. There will be no presentations, so that we can facilitate an interactive discussion. The sessions will primarily be organised as debates.

Participants are invited to react, express their views and discuss the topics raised by speakers that are related to the issues provided in the agenda. They are encouraged to actively and openly participate in discussions to share their experiences.

Acknowledgement

The MENA-OECD Working Group on Corporate Governance is co-chaired by the Portuguese Securities Market Commission (CMVM) and the United Arab Emirates Securities and Commodities Authority (SCA).

The organisers are most grateful for the support of the Swedish International Development Cooperation Agency (SIDA) to the MENA-OECD Competitiveness Programme, including its Working Group on Corporate Governance.

Welcome Cocktail

OECD Headquarters, Espresso Café
16 April 2019

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| 18:00 | Welcome cocktail for the OECD Corporate Governance Committee and OECD-MENA Working Group on Corporate Governance |
| Special address | Ambassador Anna Brandt, Permanent Representative of Sweden to the OECD Mr. Rolf Skog, OECD Corporate Governance Committee, Representative of Sweden |

Meeting Programme

DAY ONE: 17 April 2019

9:00-9:30 Registration

9:30 – 10:00 Opening Remarks and launch of the Report 'Corporate Governance in MENA: Building a Framework for Competitiveness and Growth'

Mr. Masamichi Kono, Deputy Secretary-General, OECD

H.E. Obaid Al Zaabi, CEO, Securities and Commodities Authority (SCA), United Arab Emirates, and co-Chair of the MENA-OECD Working Group on Corporate Governance

10:00 – 11:00 Session 1: Implementing sound corporate governance in MENA : A driver for investment and economic growth

Moderator Ms. Gabriela Figueiredo Dias, Chair, Portuguese Securities Market Commission (CMVM), Vice Chair of the OECD Corporate Governance Committee, and co-Chair of the MENA-OECD Working Group on Corporate Governance

- Panel discussion
- Mr. Wissam H. Fattouh, Secretary General, Union of Arab Banks
 - Mr. William Tohmé, Regional Head, MENA, CFA Institute
 - Ms. Dhouha Ben Hassen, Head of Legal and International Affairs, Financial Market Council, Tunisia
 - Ms. Aysegül Eksit, former Executive Vice-Chair, Capital Market Board of Turkey

Background A strong corporate governance framework is essential for MENA economies as they strive to boost economic growth, strengthen competitiveness and develop a dynamic business sector . For this purpose, the [G20/OECD Principles of Corporate Governance](#) and the [OECD Guidelines on Corporate Governance of State-Owned Enterprises](#) provide important guidance in terms of policy design and regulatory reform.

Building on progress made since 2017, MENA economies now need to bolster their corporate governance frameworks and practices as part of efforts to develop more dynamic capital markets. This includes enhancing an environment of trust, transparency and accountability, and further aligning corporate governance policies with international standards to attract long-term investment. As identified throughout the 2018 Working Group discussions, corporate governance challenges in MENA include: a high degree of state ownership, impediments to capital market development, limited transparency and disclosure, and modest participation by women in corporate leadership. This session will set the scene for the 2019 Working Group, providing the context for future progress in corporate governance. The following questions will guide the discussion:

- Who is driving recent corporate governance reforms in MENA and why?
- What are the implications for the region of increasingly global and integrated capital markets?
- How can MENA economies propel the implementation of the G20/OECD Principles of Corporate Governance?

11:00-11:30 Coffee/tea break

11:30 –13:00 **Session 2: Driving the implementation of policies to improve access to capital**

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| Moderator | Mr. Atila Yanpar, Head of Corporate Finance Department, Capital Markets Board of Turkey |
| Presentation | Mr. Jalil Tarif, Secretary General, Union of Arab Securities Authorities |
| Panel discussion | <ul style="list-style-type: none"> ▪ Mr. Ahmad Aweidah, CEO, Palestine Stock Exchange, Palestinian Authority ▪ Mr. Nasser Seddiqi, Director of Financial Operations and Markets, Autorité Marocaine des Marchés des Capitaux, Morocco ▪ Ms. Amra Balic, Head of EMEA Investment Stewardship, BlackRock |
| Background | <p>Capital markets worldwide are undergoing profound changes and are expected to play an increasingly important role in providing business with access to long-term capital. This is prompting many jurisdictions to review the functioning of their capital markets to provide better conditions for financing private sector innovation, investment and growth.</p> <p>The chapter 'Access to Finance and Capital Markets' in the Working Group Report suggests that a limited number of companies use public equity markets in MENA but that large companies increasingly have used domestic bond markets as a source of finance. Nevertheless, the region's corporate bond market remains small. The Report finds that in order to encourage capital market financing, a number of steps can be taken. This would include improving the capacity of securities regulators and strengthening the corporate governance ecosystem and investor base. In line with this, the following questions will help to guide the discussion on the implementation of policy options:</p> <ul style="list-style-type: none"> ▪ What are the main obstacles hindering the implementation of policies to promote greater access to equity markets in MENA economies? ▪ What is the role of international co-operation in enhancing the capacity of key institutions to encourage more dynamic capital markets? ▪ What strategies are in place in MENA economies to further develop the domestic investor base? <p>Open discussion</p> |

13:00 – 14:30 *Lunch, OECD Conference Centre, Atrium*

14:30 – 16:00 **Session 3: Taking action for greater transparency and disclosure**

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| Moderator | Mr. Andrew Hobbs, Partner, EMEA Public Policy Leader, Ernst & Young |
| Presentation | Mr. Mohamed Farid Saleh, Chairman, Egypt Stock Exchange, Egypt |
| Panel discussion | <ul style="list-style-type: none">▪ Dr. Fadi Khalaf, Secretary General, Arab Federation of Exchanges▪ Ms. Raneem Abdulaziz Alessa, Head, Corporate Governance Standards Unit, Capital Market Authority, Saudi Arabia▪ Dr. Ashraf Gamal El Din, CEO, Hawkamah, The Institute for Corporate Governance▪ Ms. Maali Qasem Khader, Founder and CEO, Jordan Institute of Directors, Jordan |
| Background | <p>Transparency and disclosure in listed companies is a key component of the policy framework needed to promote private sector development in the MENA region. MENA economies have endeavoured to improve their corporate governance structures, yet gaps remain in terms of transparency and disclosure regulations and practice.</p> <p>The chapter 'Improving Transparency and Disclosure in MENA' in the Working Group Report finds that MENA economies should focus future efforts on the implementation of policies to tackle disclosure of ownership structures and related party transactions. This includes ensuring that supervisory authorities have adequate powers to enforce the rules. This session will exchange good practises and strategies that can support the implementation of these recommendations. The following questions will help to guide the discussion:</p> <ul style="list-style-type: none">▪ What steps should be taken to ensure that supervisory authorities have adequate powers to effectively enforce the regulatory framework?▪ What strategies are in place in MENA economies to share good practices in the form of guidance and the regular publication of monitoring findings?▪ How can MENA economies improve channels to ensure full and proper disclosure of ownership structures and related party transactions in line with good practices? <p>Open discussion</p> |

16:00 -16:30 Coffee/tea break

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| Moderator | Ms. Turid Elisabeth Solvang, Founder and CEO, FutureBoards |
| Presentation | Ms. Iman Al-Damen, Director, Jordan Commercial Bank |
| Panel discussion | <ul style="list-style-type: none"> ▪ Ms. Floriane de Saint Pierre, Présidente, Ethics & Boards ▪ Ms. Asmahan Zein, President, Lebanese League for Women in Business (LLWB), Lebanon ▪ Ms. Foo Lee Mei, Chief Regulatory Officer, Securities Commission Malaysia ▪ Ms. Soukeina Bouraoui, Executive Director, Center of Arab Women for Training and Research (CAWTAR) |
| Background | <p>Closing the gender gap in corporate decision-making roles remains a challenge globally, yet there is strong impetus for MENA economies to embrace initiatives that empower and promote women in the corporate sphere. Women's leadership and talent are increasingly seen as cornerstones for building competitive, value-creating companies and, by extension, resilient, inclusive economies.</p> <p>The chapter 'Achieving Gender Balance in Corporate Leadership' in the Working Group Report finds that the representation of women on the boards of the largest 142 public companies in MENA remains modest, at 4.8% of total voting board seats (60 of 1 258 seats). The effective implementation of sound policies is crucial; goals, measurable targets and policies need to be underpinned by strategies aimed at fostering gender balance throughout the company and the career cycle. Government policies are more likely to succeed when company leaders are active and involved. This session will focus on exchanging good practises and strategies for implementation of reforms. The following questions will help to guide the discussion:</p> <ul style="list-style-type: none"> ▪ What benefits does greater gender balance bring to companies and their boards? ▪ What strategies are in place in MENA economies to improve data collection and dissemination of gender related information? ▪ What is the role of coalitions in boosting the implementation of core government policies and shifting values to achieve gender balance in corporate leadership? <p>Open discussion</p> |

DAY TWO: 18 April 2019

9:00 – 10:30 Session 5: Implementing change to boost the corporate governance of State-Owned Enterprises

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| Moderator | Mr. Ziad Hayek, Vice Chair, United Nations Working Party on Public-Private Partnerships (PPP) and Co-President, World Association of PPP Units & Professionals |
| Presentation | Mr. Chokri Hassine, Director General Responsible for Implementation of the Reform and Governance Strategy for Public Enterprises, Presidency of the Government, Tunisia |
| Panel discussion | <ul style="list-style-type: none"> ▪ Mr. Mohamed Hassouna, Ministry of Public Business Sector, Egypt ▪ Mr. Sébastien Justum, Chargé de participations dans le secteur des transports Ministère de l'économie et des finances – Agences des participations de l'Etat (APE), France ▪ Ms. Tumi Dlamini, Advisor, African Peer Review Mechanism and Director of African Network on Corporate Governance of State-Owned Enterprises. ▪ Mr. David Risser, Director, Nestor Advisors |
| Background | <p>State-owned-enterprises (SOEs) are a key feature of the economic landscape in the MENA region. Ensuring that SOEs operate transparently, efficiently and on a level playing field with private enterprises is crucial for market efficiency, economic development and sound fiscal management. The OECD <i>Guidelines on Corporate Governance of State-Owned Enterprises</i> provide a blueprint for making this happen.</p> <p>The chapter 'Enhancing Governance of State-Owned Enterprises' in the Working Group report finds that state ownership portfolios in MENA economies are often dispersed across the public administration. This frequently results in conflicting or unclear roles among state actors, limited structured information on SOEs' objectives and performance and the absence of harmonised corporate governance standards across ownership portfolios. The report puts forward several policy options to address these challenges and professionalise state ownership practices in the region. This session will discuss concrete measures to implement effective state ownership reforms. The following questions will help to guide the discussions:</p> <ul style="list-style-type: none"> ▪ In a context of decentralised ownership arrangements, what initial steps can MENA jurisdictions take to introduce greater transparency on the operations and performance of all SOEs? ▪ What measures can be particularly effective in driving performance improvements among SOEs (for example, SOE corporate governance codes, stock-exchange listings, ownership transfer to state holding companies)? ▪ What challenges should policy makers – and SOE boards of directors – be prepared to face in the course of implementing changes to SOEs' ownership arrangements and corporate governance practices? <p>Open discussion</p> |

10:30-11:00 Coffee/tea break

11:00 – 12:15 **Session 6: Debate - Implementing the Principles: Regulation versus corporate culture**

Moderator Mr. Mats Isaksson, Head, Corporate Governance and Corporate Finance Division, OECD

- Mr. Mike Lubrano, Managing Director, Corporate Governance and Sustainability, Cartica Management
- Dr. Ashraf Gamal El Din, CEO, Hawkamah, The Institute for Corporate Governance

Background The [G20/OECD Principles of Corporate Governance](#) state that board members should act in the best interest of the company and its shareholders. They also say that boards are expected to take due regard of, and deal fairly with stakeholder interests including those of employees, creditors, customers, suppliers and other stakeholders. They add that in order to be effective, the corporate governance framework requires a sound legal, regulatory and institutional framework that market participants can rely on when they establish their private contracts. This session will explore the role of regulation versus corporate culture as a force for the implementation of the G20/OECD Principles of Corporate Governance in MENA.

Open discussion

12.15 – 13.00 **Closing session: Future steps for co-operation between the OECD and MENA economies**

Moderator Ms. Fianna Jurdant, Manager, MENA-OECD Corporate Governance Working Group, OECD

- Ms. Gabriela Figueiredo Dias, Chair, Portuguese Securities Market Commission (CMVM), Vice Chair of the OECD Corporate Governance Committee, and co-Chair of the MENA-OECD Working Group on Corporate Governance
- H.E. Obaid Al Zaabi, CEO, Securities and Commodities Authority (SCA), United Arab Emirates, and co-Chair of the MENA-OECD Working Group on Corporate Governance

■ Date and venue

17-18 April 2019

OECD Headquarters, Room CC15, 2 Rue Andre Pascal, 75016, Paris, France

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