



MENA-OECD Task Force on Corporate Governance of State-Owned Enterprises

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DRAFT AGENDA

Organised jointly with the Hawkamah Institute for Corporate Governance,
with the support of the Global Corporate Governance Forum



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The MENA-OECD Task Force on Corporate Governance of State-Owned Enterprises was established as a joint initiative of the OECD and the Hawkamah Institute for Corporate Governance following Hawkamah's inaugural conference on corporate governance held in Dubai, UAE, on November 26-27, 2006.

The conference's Dubai Declaration concluded that:

Corporate governance of state-owned enterprises (SOEs) should be addressed as a priority, because of the important role they play for MENA economies. This should be a gradual process. MENA governments should aim at centralizing the ownership function within one state institution, or ensure effective co-ordination of the institutions in charge. Transparency of SOEs should improve by strengthening internal control mechanisms, carrying out independent external audit based on international standards, and producing aggregate performance reports. Legislation should empower SOE boards of directors as the key body for strategic direction of the company independent from government and political interference in the day-to-day business of the company.

Business leaders and policy makers from the MENA region, including Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Palestine National Authority, Qatar, Saudi Arabia, the United Arab Emirates and Yemen, along with international and regional experts, agreed that a task force on corporate governance of SOEs should be established to address the priorities given to SOEs.

The MENA-OECD Task Force on Corporate Governance of SOEs was launched in 2008, comprising representatives of holding companies, state audit institutions, relevant Ministries overseeing the operation and performance of SOEs, regulatory authorities, and individual SOEs. The first action taken by Task Force members was to respond to a questionnaire, developed jointly by the OECD and Hawkamah on the basis of the *OECD Guidelines on Corporate Governance of State-Owned Enterprises*, and circulated to officials in MENA countries. Initial responses were received from representatives of Bahrain, Egypt, Iraq, Lebanon, Oman and Pakistan. In addition, Hawkamah and the OECD carried out interviews with government officials and other experts, supplemented by additional research, in order to develop a draft stock-taking report that also provides some information on Morocco, Saudi Arabia and the UAE. The report sets out preliminary information on the size, characteristics and structure of the SOE sectors across the region, as well as challenges in SOE governance from regional and country-specific perspectives.

This draft report will provide a reference for the Task Force to discuss recent experiences at the upcoming meeting of the OECD-MENA Task Force on SOEs to be held in Paris on the 1st of March, 2010, in conjunction with the OECD Global Network Meeting on Privatisation and SOE Governance of 2-3 March. The discussions taking place at the Task Force meeting may be used to enhance the draft report with additional information from participating MENA countries. In addition, a second OECD questionnaire, focused on the role of state ownership entities and practices of board members, aimed at providing information for both the Global Network on SOEs as well as the task force, has been circulated [to selected task force members] to obtain additional complementary information for the Task Force's stock-taking exercise.

The ultimate objective of these activities – as agreed by the MENA-OECD Working Group on Corporate Governance held in conjunction with 4th annual Hawkamah-OECD Conference on 9-10 November, 2009 -- is to develop a ***regional policy brief on corporate governance of SOEs***. The policy brief, a first of its kind in the region, will document and compare the state of governance frameworks and practices across the region and provide concrete policy recommendations.

The meeting of the MENA-OECD Task Force on Corporate Governance of SOEs will focus in particular on two governance reform topics that task force members have identified as priorities for the region:

1. Transparency and Accountability

2. The selection and quality of SOE boards

Country representatives will also be free to express themselves on other SOE governance reform topics.

The Task Force meeting will be followed by a back-to-back meeting of the Global Network on Privatisation and Corporate Governance of State-Owned Enterprises on 2-3 March, giving Task Force members an opportunity to exchange experience with colleagues from other regions and countries throughout the world.

Draft Agenda

Coffee/Tea Break	
14.00	<i>Welcoming Remarks by Task Force Co-Chairs</i> Dr. Grant Kirkpatrick, Head, OECD Corporate Affairs Division Mr. Nick Nadal, Director, Hawkamah
14.15 to 15.10	<i>Transparency and Disclosure</i> This session will discuss priorities for SOE reforms related to transparency and disclosure, which are prerequisites to public trust. This will include important aspects or elements of the reporting system, disclosure to the wider public, financial disclosure on the basis of internationally recognized standards, external audit, and effective parliamentary oversight. <i>Speakers:</i> Mr. Abdul Rahman Al-Harthy, State Audit Institution, Oman Mr. Yahya Hakim, former advisor to the President; former director of the Ministry of Finance Cabinet, Lebanon <i>Discussion among all Task Force members</i>
Coffee/Tea Break	
15.30 to 16.30	<i>SOE Boards: Nomination, Composition, Functioning and Evaluation</i> This session will discuss issues related to board functioning which help in board members exercising objective and independent judgement. <i>Speakers:</i> Mr. Abdulqader Obaid Ali, Chief of Internal Audit, Dubai World, UAE Dr. Dawood al Bulushi, Director, Corporate Governance, Qtel, Qatar Mr. Zouhair Skander, Director General, Ministry of Justice and Human Rights, Tunisia <i>Discussion among all Task Force members</i>

<p>16.30 to 17.30</p>	<p style="text-align: center;"><i>Recent reforms of SOEs in the region</i></p> <p>This session will discuss preliminary findings of the MENA SOE stocktaking survey and provide an opportunity to discuss recent reforms of SOEs in the region.</p> <p><i>Speakers:</i></p> <p>Mr. Abdel Aziz Talbi, Directeur des Entreprises Publiques et de la Privatisation, Ministère des Finances et de la Privatisation, Morocco</p> <p>Mr. Ashraf Gamal, Executive Director, Institute of Directors, Egypt</p> <p><i>Discussion among all Task Force members</i></p>
<p>17.30 to 18.00</p>	<p style="text-align: center;"><i>Concluding session and priorities for reform</i></p> <p>The Chairs will propose conclusions and suggest activities for consideration and discussion by the Task Force, reflecting regional preferences.</p>