

# AGENDA



## MENA-OECD WORKING GROUP ON CORPORATE GOVERNANCE

Good corporate governance for competitiveness

**12-13 December 2017**  
**Hôtel La Tour Hassan Palace**  
**Rabat, Morocco**



## Context

The MENA-OECD Initiative on Governance and Competitiveness for Development facilitates co-operation between the OECD and the MENA region 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 countries, 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, 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.

At the meeting, the new phase of the MENA-OECD Working Group on Corporate Governance is being launched, building on the new Ministerial Mandate received in Tunis for the years 2016-2020, and recognising that corporate governance is an essential building block for MENA countries to boost competitiveness, attract capital, develop the private sector and promote investment. The objective is to strengthen the commitments of MENA economies and support decision-makers in their efforts to improve corporate governance, using as reference the G20/OECD Principles of Corporate Governance and the OECD Guidelines on Corporate Governance of State-Owned Enterprises.

Participants of the MENA-OECD Working Group are encouraged to engage in an open dialogue about major developments and challenges in their countries, including implementation and enforcement efforts as well as discuss and analyse policy options 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 information sharing.

Topics to be addressed in this meeting include:

- Recent corporate governance developments in the MENA Region
- MENA equity markets and access to capital for growth companies
- Transparency and disclosure
- Gender balance in corporate leadership and board diversity
- Improving the corporate governance of state-owned enterprises
- The role of board directors in improving corporate governance

## 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 from their background reports in less than 10 minutes, to leave ample time for the debate sessions that follow.

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. The objective is to facilitate an interactive discussion, so the sessions will primarily be organised as debates.

Roundtable participants are invited to react, express their views and discuss the issues 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 country experience.

## **Language and translation services**

The meeting will be held in English or French with simultaneous translations in the two languages.

## **Acknowledgement**

The MENA-OECD Working Group on Corporate Governance is co-chaired by the Government of the United Arab Emirates and Portugal.

The organisers are most grateful for the support of the the Swedish International Co-operation Agency (SIDA) to the MENA-OECD Competitiveness Programme and this regional event, which seeks to increase policy dialogue in order to discuss better policies towards economic integration and inclusive growth.

# Programme

## DAY 1: DECEMBER 12

9:00-9:30 Registration

### 9:30 – 10:15 Welcoming Remarks

- Mr. Lahcen Daoudi, Ministre Délégué auprès du Chef du Gouvernement Chargé des Affaires Générales et de la Gouvernance, Morocco
- Ms. Mathilde Mesnard, Deputy Director, Directorate for Financial and Enterprise Affairs (DAF), OECD
- H.E. Obaid Al Zaabi, CEO, Securities and Commodities Authority (SCA), U.A.E. and co-Chair of the MENA-OECD Working Group on Corporate Governance
- H.E. Mr. Barkan Oz, Ambassador of Turkey to Morocco (speaking on behalf of Turkey's co-chairmanship of the MENA-OECD Programme for Competitiveness)
- Ms. Amina Figuigui, Confederation Generale des Entreprises du Maroc, Morocco

### 10:15 – 11:15 Session 1: The business case for corporate governance and the evolution of the concept in the MENA region

**Moderator** Ms. Gabriela Figueiredo Dias, Chair, Portuguese Securities Commission, and co-Chair of the MENA-OECD Working Group on Corporate Governance

- Panelists**
- Mr. Nasser Seddiqi, Directeur de la Direction des Emetteurs, Autorité Marocaine des Marchés des Capitaux, Morocco
  - Ms. Fatima Bargach, Conseillère du Chef du Gouvernement chargée des Etablissements et Entreprises Publics, Morocco
  - Mr. Stilpon Nestor, Managing Director, Nestor Advisors
  - Mr. Vedat Akgiray, Professor of Finance, Bogazici University, Turkey

**Background** The development of the G20/OECD Principles of Corporate Governance, which were revised in 2015, benefitted from extensive empirical and analytical work on emerging trends in both the financial and corporate sectors. Their development was based on an understanding that corporate governance is not an end in itself. Instead, corporate governance is a means to support some of the most important drivers of economic growth: efficient capital markets, the level of investment and the dynamics of the business sector.

Companies with growth potential that want access to finance through capital markets need to meet investor expectations with respect to corporate governance practices if they want to attract investment. Already listed companies need to boost their corporate governance also to tap other sources of capital, like a secondary public offering (SPO) or the corporate bond market.

The widespread discussion of corporate governance, the introduction of corporate governance codes and the existence of a sound ecosystem in the MENA region reflect the acceptance of the importance of sound corporate governance practices. The purpose of this first session is to share experiences about the need and usefulness of corporate governance for individual companies and the wider business sector as well as the challenges to implementation.

11:15-11:30 Coffee/tea break

11:30 – 13:00 **Session 2: Recent corporate governance developments in Morocco**

Moderator	Mr. Ahmed Rahhou, Président Directeur Général, CIH Bank, Morocco
Presentation	Mr. Aziz Ajbilou, Secrétaire Général du Ministère des Affaires Générales et de la Gouvernance, Morocco
Panel discussion	<ul style="list-style-type: none"><li>• Ms. Afifa Al Houari, Directrice du Contrôle, L'Autorité de Contrôle des Assurances et de la Prévoyance Sociale (ACAPS), Morocco</li><li>• Ms. Amina Figuigui, Vice-Présidente de la Commission Ethique et Bonne Gouvernance, Confédération Générale des Entreprises du Maroc (CGEM), Morocco</li><li>• Ms. Zahoui Hiba, Directrice de la Supervision Bancaire, Bank Al Maghrib (BAM)</li><li>• Mr. Gian Piero Cigna, Associate Director, Senior Counsel Corporate Governance, European Bank for Reconstruction and Development, London</li></ul>
Background	<p>This session will review recent corporate governance developments in Morocco and focus on implementation of the new corporate governance framework.</p> <p>Since 2007 the National Corporate Governance Commission (a working commission jointly created by the Ministry of Economic and General Affairs and the General Confederation of Moroccan Enterprises) has been working on improving the corporate governance standards of Morocco. In 2008 they issued the Moroccan Code of Good Corporate Governance Practices, which has been followed by the incorporation of three annexes over the years: governance issues in family owned companies and small and medium enterprises (2009), banks (2010), and state-owned enterprises (2012). The Moroccan Code recommends companies to implement its recommendations pursuant to a "comply or explain" approach. In early 2010, the Moroccan Institute of Directors was launched as a non-for profit association and as the spin-off of the National Commission on Corporate Governance, but excluding the authority to guarantee independence.</p> <p>The relationship between Morocco and the OECD is strong. Morocco benefits from an OECD Country Programme with 17 strategic projects built around three key areas: competitiveness, public governance and social inclusion. It also foresees Morocco's adhesion to nine OECD legal instruments and enhanced participation in 9 OECD committees. In this context, Morocco participates in the substantive work of many of the OECD's specialised Committees and the Programme comprises peer reviews, capacity-building activities, as well as inclusion in OECD's statistical tools, and adherence to selected OECD legal instruments. The Country Programme is enabling evidence-based policymaking in Morocco that responds to actual and factual issues.</p> <p><b>Open discussion</b></p>

13:00 – 14:15 Lunch

14:15 –15:45 **Session 3: MENA equity markets and access to finance for growth companies**

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

Presentation Ms. Aysegül Eksit, former Executive Vice-Chair, Capital Market Board of Turkey

- Panel discussion
- Dr. Fadi Khalaf, Secretary General, Arab Federation of Exchanges (AFE)
  - Mr. Badr Benyoussef, Directeur du Développement de la bourse, Bourse de Casablanca
  - Mr. Serdar Celik, Senior Economist, Corporate Affairs Division, OECD

Background Growth companies play a critical role for economic development. They contribute to innovation, productivity and net job creation. Moreover, as new competitors in the market, they challenge established corporations and act as role models for new entrepreneurs. Yet growth requires long-term investment and access to patient capital. It is therefore essential that growth companies have access to equity capital that is long-term, as opposed to bank financing, which is more suitable for short-term investments.

In order to receive access to public equity markets, corporations need to meet investor expectations with respect to corporate governance practices. They need to establish a formal structure of procedures, rights and responsibilities that make investors willing to provide money and make the original owners willing to share ownership with a new circle of outsiders.

This session will explore the access to finance through capital markets in the MENA region, with a special focus in the current situation of the market and the upcoming challenges related to the strengthening of this market.

**Open discussion**

15:45-16:00 Coffee/tea break

16:00 – 17:30 **Session 4: Transparency and disclosure**

Moderator	Mr. Rainer Geiger, Board Member, Finance Watch, France
Presentation	Ms. Carla Meza, Policy Analysis and Research, OECD
Panel discussion	<ul style="list-style-type: none"> <li>• Mr. Mohsen Adel, Vice Chairman, The Egyptian Exchange (EGX), Egypt</li> <li>• Mr. Fahad Bin Hamdan, Head of the Corporate Governance Department, Capital Market Authority, Saudi Arabia</li> <li>• Ms. Bouchra Elfalaki, Autorité Marocaine des Marchés des Capitaux, Morocco</li> <li>• Ms. Aysegül Eksit, former Executive Vice-Chair, Capital Market Board of Turkey</li> </ul>
Background	<p>Transparency and disclosure is the basis for efficient capital allocation and a sound capital market. By creating an environment of trust, transparency and accountability, enhanced disclosure is critical for developing sound capital markets that serve the real economy, boosting economic growth.</p> <p>Capital market financing has special characteristics. From the company's perspective, issuing equity implies sharing ownership with investors outside the company in exchange for long-term financing. From an investor's perspective it involves an exchange of capital for an expected future return, a set of monitoring rights and a residual claim on the company assets. Because of this special relationship and the uncertainty and risks involved, companies need to establish a formal structure of procedures, rights and responsibilities that create trust with investors willing to provide their money while the original owners share ownership with a new circle of outsiders.</p> <p>Providing accurate and up-to-date information on the legal and regulatory frameworks related to disclosure and prevailing corporate practices on several topics – including company objectives, risk management, major share ownership, remuneration, related-party transactions, ESG factors, across the MENA region is key to supporting corporate governance reforms, using the G20/OECD Principles of Corporate Governance as a benchmark.</p> <p style="text-align: center;"><b>Open discussion</b></p>

18:00-19:00 Cocktail hosted by the *Ministère des Affaires Générales et de la Gouvernance, Morocco*



## DAY 2: DECEMBER 13

### 9:30 – 11:00 Session 5: Improving gender balance in corporate leadership and enhancing board diversity

Moderator	Ms. Mathilde Mesnard, Deputy Director, OECD
Presentation	Ms. Fianna Jurdant, Manager, MENA-OECD Corporate Governance Working Group
Panel discussion	<ul style="list-style-type: none"> <li>• Ms. Iman Al Damen, Board member-Jordan Commercial bank, Member of the higher council -Jordan National Forum for Women, Jordan</li> <li>• Mr. Majdi Hassen, Executive Director, Institut Arabe des Chefs d'Entreprises (IACE), Tunisia</li> <li>• Ms. Turid Elisabeth Solvang, Founder &amp; CEO, FutureBoards AS, Norway</li> <li>• Ms. Floriane de Saint Pierre, Présidente, Ethics &amp; Boards, France</li> <li>• Mr. Idriss Elasri, Directeur, LafargeHolcim Maroc, Morocco</li> <li>• Ms. Dounia Taâriji, Club des Femmes Administrateurs, Morocco</li> </ul>
Background	<p>Diversity is a critical pillar of effective board performance. Among the lessons learned from the 2008 global financial crisis is that overly entrenched boards may fail to identify risk factors, protect the interest of all stakeholders and act in consequence. "Groupthink" is more likely to occur among homogeneous groups lacking diversity in areas related to gender, nationality, age, and educational backgrounds.</p> <p>The G20/OECD Principles of Corporate Governance and the OECD Guidelines on Corporate Governance of SOEs encourage the development of the right mix of backgrounds and competences to bring diversity of thought to the boardroom. Various approaches are mentioned, such as voluntary targets, disclosure requirements, boardroom quotas and others that enhance gender diversity on boards.</p> <p>One of the central aspects of board diversity is gender. The increased awareness of gender unbalanced corporate leadership has led to enhanced efforts to improve gender balance at the top of companies. There is a growing global consensus on the key role of women at the top of companies and a notable increase in their participation at board level.</p> <p>There has been some progress regarding the inclusion of women in corporate leadership positions in MENA, though progress remains slow. Barriers to women's access to leadership vary widely across countries and tend to remain most entrenched in those where women's workforce participation rates are low. The OECD's recent publication on <a href="#">Women's Economic Empowerment in Selected MENA Countries: The impact of legal frameworks in Algeria, Egypt, Jordan, Libya, Morocco and Tunisia</a>, focused on challenges and opportunities for closing the gender gap in the region.</p> <p><b>Open discussion</b></p>

11:00-11:15 Coffee/tea break



11:15 – 12:45 **Session 6: Improving corporate governance of state-owned enterprises**

Moderator	Mr. Hans Christiansen, Senior Economist, OECD
Presentation	Ms. Korin Kane, Policy Analyst, OECD
Panel discussion	<ul style="list-style-type: none"> <li>• Mr. Mehmet Kaya, Bureau Member, OECD Working Party on State Ownership and Privatisation Practices, and Acting Director, General Directorate of State Owned Enterprises, Ministry of Finance, Turkey</li> <li>• Mr. Abdelaziz Samih, Deputy Director of Studies and Information Systems, Department of the State Owned Enterprises (DEPP), Morocco</li> <li>• Mr. Ali Harbi, Hawkama El Djazair, Association Nationale pour la Promotion de la Gouvernance d'Entreprise, Algeria</li> <li>• Mr. Odeh Shehadeh, Secretary General, Palestinian Federation of Industries, Palestinian Authority</li> <li>• Ms. Sorana Baciu, President, Association of Independent Directors, Romania</li> </ul>
Background	<p>SOEs are significant actors that support economic development – as vehicles of industrial policy or as essential infrastructure providers. This means that their effectiveness is of critical importance, not only for the well-being of individual citizens, but also for private sector companies that need secure access to transportation, energy and communication. These issues are further compounded by SOEs' growing participation in public private partnerships (PPP), which make their governance and efficiency paramount to successful project delivery.</p> <p>To encourage reforms of SOEs, the OECD Working Group on State Ownership and Privatisation Practices, supported by the OECD Secretariat and practitioners from around the world, acts as a regional resource hub for information and experience sharing.</p> <p>In this session, we will discuss the preliminary findings of a questionnaire sent to MENA jurisdictions to map the institutional arrangements for state ownership, to gather quantitative information on national SOE portfolios and to collect information on recent and ongoing state ownership reforms in the MENA region.</p> <p><b>Open discussion</b></p>

12:45 – 14:00 *Lunch*

## 14.00 – 15.15 Session 7: The role of board directors in improving corporate governance

Moderator	Ms. Lamia El Bouanani, Executive Director, Moroccan Institute of Directors
Presentation	Mr. Nick Nadal, Vice President, Hawkamah, the Institute of Corporate Governance, U.A.E.
Panel discussion	<ul style="list-style-type: none"> <li>• Mr. Hamid Sultan Al-Busaidi, Capital Market Authority of Oman, Senior Director of the Oman Centre for Corporate Governance, Oman</li> <li>• M. Saddouq, Confédération Générale des Entreprises du Maroc, Morocco</li> <li>• Ms. Sanaa Abouzaid, Regional Corporate Governance Lead-MENA, IFC</li> <li>• Ms. Véronique Bruneau Bayard, Lawyer, CMS Bureau Francis Lefebvre</li> <li>• Mr. Stilpon Nestor, Managing Director, Nestor Advisors</li> </ul>
Background	<p>The board of directors is the governing body of a company. As such, directors play a crucial role in boosting corporate governance practices within the company and in their relationship with shareholders and stakeholders. The G20/OECD Principles of Corporate Governance provide guidance with respect to key functions of the board of directors, including the review of corporate strategy, selecting and compensating management, overseeing major corporate acquisitions and divestitures, and ensuring the integrity of the corporation's accounting and financial reporting systems.</p> <p>An important discussion relates to the role of directors in jurisdictions with concentrated ownership structures, such as in the MENA region. Different challenges and agency costs arise from this reality: The concept and role of independent directors can change, the nomination and election of board members is highly influenced by the controlling shareholder, the relationship between the board and top management can vary, the control of related-party transactions can more challenging and the engagement as well as protection of minority shareholders can change.</p> <p>This session aims to better understand the dynamics of the boards of directors of MENA companies within the context of concentrated ownership structures.</p> <p><b>Open discussion</b></p>

## 15.15 – 15.45 Concluding session, future steps

Moderator :	<p>Fianna Jurdant, Senior Policy Analyst, OECD</p> <ul style="list-style-type: none"> <li>• Mr. Lahcen Daoudi, Ministre Délégué auprès du Chef du Gouvernement Chargé des Affaires Générales et de la Gouvernance, Morocco</li> <li>• Mr. Rolf Schwarz , Senior Counsellor, OECD</li> <li>• Ms. Gabriela Figueiredo Dias, Chair, Portuguese Securities Commission, and co-Chair of the MENA-OECD Working Group on Corporate Governance</li> <li>• H.E. Obaid Al Zaabi, CEO, Securities and Commodities Authority (SCA), U.A.E. and co-Chair of the MENA-OECD Working Group on Corporate Governance</li> </ul> <p>Tour de table, inputs from participants</p>
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## ■ Date, time and venue

12-13 December 2017, Rabat, Morocco

Hotel La Tour Hassan Palace



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