



## High-Level Working Meeting and Consultation on the OECD Principles of Corporate Governance

The World Bank Paris Conference Center  
66, Avenue d'Iéna, 75116 Paris  
November 2<sup>nd</sup> – 4<sup>th</sup>, 2003

### AGENDA

The Monterrey Consensus has identified corporate governance reform as a tool for attracting the investment developing countries need to fund sustainable economic growth. Sound corporate governance practices contribute to investor and lender confidence, which supports both domestic and foreign investment. The challenge for developing and emerging markets is to craft strategies for reform that build the institutions and capacity that are needed for effective implementation.

The Global Corporate Governance Forum will convene a high-level working meeting on corporate governance at the World Bank in Paris, to review lessons learned on implementation of corporate governance reform in developing countries and contribute to the review of the OECD Principles of Corporate Governance. The group will participate in the development of the international standards that underpin the financial architecture, and ensure that the perspectives and experience of developing countries are represented in the review.

This will be a highly interactive and participatory meeting focusing on practical issues faced by countries in implementing corporate governance reform. The meeting will bring together an informal but highly influential network of international policy-makers and private sector decision-makers who have led the regional dialogue in developing markets. Participants will be the core members of the World Bank–OECD Corporate Governance Roundtables in Asia, Russia, Latin America, Eurasia, South Eastern Europe, and of the Pan African Consultative Forum on Corporate Governance, Caribbean Forum on Corporate Governance and workshops in selected Middle Eastern and North African countries.

The meeting has the following objectives:

- **A review of lessons learned in reform** based upon the experiences of the regional Roundtables and related Forums. The key findings will be presented in a synthesis note, which draws together the conclusions of the regional discussions to date and maps out next steps.
- **Dissemination of best practice** through technical workshops, which will discuss tools for implementation of corporate governance reform in developing and emerging markets.
- **Consultation on the review of the OECD Principles of Corporate Governance** to contribute the experience of developing countries in reviewing the international framework of standards and codes.

# Global Corporate Governance Forum



## High Level Working Meeting and Consultation on the OECD Principles of Corporate Governance

The World Bank Paris Conference Center  
66, Avenue d'Iéna, 75116 Paris

*Sunday, 2<sup>nd</sup> November 2003*

| 17:00 – 18:00 | PARTICIPANTS' REGISTRATION  |
|---------------|---|
|               |   |
| 18:00 – 20:00 | WELCOMING RECEPTION AND OPENING REMARKS   |
|               | <ul style="list-style-type: none"><li>• <u>Welcome and Introduction</u> by Neil Roger, Director, Investment Climate Department, World Bank-IFC</li><li>• <u>The Evolution of Corporate Governance</u> by Jonathan Charkham, Former Chief Advisor to the Governor, Bank of England, and Member of Private Sector Advisory Group</li><li>• <u>Corporate Governance and Development: Why it Matters</u> by GN Bajpai, Chairman, Securities and Exchange Board of India</li></ul> |

*Monday, 3<sup>rd</sup> November 2003*

| THEME I  |  |
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| LESSONS LEARNED—EXPERIENCES FROM THE ROUNDTABLES AND REGIONAL FORUMS |  |
| <b>9:00 – 9:30</b>   | <p><u>Welcome</u><br/>Claude Barras, SECO, Switzerland, and Chairman, Global Corporate Governance Forum Steering Committee</p> <p><u>Introductory Remarks</u><br/>Kiyoo Akasaka, Deputy Secretary-General, OECD</p> <p><u>Meeting Objectives</u><br/>Anne Simpson, Head of the Secretariat, Global Corporate Governance Forum</p>  |
| <b>9:30 – 11:00</b>  | <p>This session will consider lessons learned from the roundtables and forums. Each speaker will highlight the main conclusions and achievements emerging from the policy dialogue in their region and map out the issues still to be addressed as reform efforts continue. These include: enforcement, minority shareholder protection, family owned firms and state owned enterprises, the relative role of equity and bank financing for firms, institution and capacity building.</p> <p>Introduction to the Roundtables: Mats Isaksson, Head of Corporate Affairs Division, OECD</p> <p><b>Moderator:</b> José Luiz Osório, Former Chair, CVM, Brazil</p> <ul style="list-style-type: none"> <li>• <u>Asia Roundtable:</u> Dr. Nik Ramlah Mahmood, Director, Market Policy and Development, Securities Commission of Malaysia</li> <li>• <u>Eurasia Roundtable:</u> George Loladze, Chairman of Supervisory Board, Georgian Stock Exchange</li> <li>• <u>Latin America Roundtable:</u> Emilio Ferré, Director of the Markets Division and Head of International Affairs, Comisión Nacional de Valores, Argentina</li> <li>• <u>Russia Roundtable:</u> Elena Krasnitskaya, Troika Dialog, Russian Federation</li> <li>• <u>South Eastern Europe Roundtable:</u> Stefan Petranov, Chairman of the Board of Directors, Zlaten Lev Capital, Bulgaria</li> </ul> |
| <b>11:00 – 11:30</b>   | <b>REFRESHMENT BREAK</b>   |
| <b>11:30 – 12:30</b>   | <p><b>Moderator:</b> Winston Cox, Deputy Secretary-General, Commonwealth</p> <ul style="list-style-type: none"> <li>• <u>Pan African Consultative Forum on Corporate Governance:</u> Patrick Chisanga, President, Institute of Directors, Zambia</li> <li>• <u>Middle East and North Africa Country Workshops:</u> Dr. Abdel Hamid Mohammed Ibrahim, Chairman, Egyptian Capital Markets Authority</li> <li>• <u>Caribbean Forum on Corporate Governance:</u> Sir K. Dwight Venner, Governor, Eastern Caribbean Central Bank, St Kitts-Nevis</li> </ul> <p><b>Conclusion and Closing Remarks</b> by Moderators</p>  |
| <b>12:30 – 14:00</b>   | <b>LUNCH</b>   |
|  | <p>Speaker: <u>The Post Enron Reform Agenda: the International Impact</u> by Peter Dey, Osler, Hoskin &amp; Harcourt, Canada, and Member of the Private Sector Advisory Group</p>  |

**THEME II:  
DISSEMINATION OF BEST PRACTICE: TOOLS FOR IMPLEMENTING REFORM**

Simultaneous breakout Workshops— Participants are invited to register in advance  
There will be a refreshment break from 16:00 pm to 16:30 pm

**14:00 – 17:30**

**WORKSHOP 1: NEW INSTRUMENTS TO ACCESS CAPITAL**

This workshop will discuss three tools for broadening access to capital and consider the potential for replication in other markets.

**Listing Rules** can be designed to offer international standards of corporate governance, from minority shareholder protections, accounting and auditing, independent boards and arbitration as a mechanism for enforcement of provisions.

**Banks** are the most significant source of financing for firms and can create incentives for reform by corporate governance in risk management and credit appraisal.

**IFC** is the leading investor and lender in developing markets. They have been developing a new tool for corporate governance improvement in their portfolio.

**Moderator:** Gennady Kolesnikov, Deputy Chairman, The Federal Commission for the Securities Market, Russian Federation

- **Using Listing Rules**

*The Novo Mercado example* by Maria-Helena Santana, BOVESPA, Brazil

**Discussant:**

Selvarany Rasiah, Head of Legal Advisory Listing Group, Kuala Lumpur Stock Exchange, Malaysia

- **The Role of Banks**

*Case study presentation* by Jesus Estanislao, President & CEO, The Institute of Corporate Directors, Philippines

**Discussants:**

Boubacar Keita, Secretary General, West African Bankers Association, Sierra Leone

Luigi Passamonti, Senior Adviser and Executive Secretary to the Financial Sector Board, World Bank

- **IFC's Methodology for Corporate Governance Improvement**

*Case study presentation* by Mike Lubrano, Head of the Corporate Governance Unit, IFC

**Discussant:**

Ken Ofori-Atta, Executive Chairman, Databank Ltd, Ghana

**Open Discussion**

**Conclusions and Implications for Future Work** by the Moderator

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| <p>14:00 – 17:30</p> | <p style="text-align: center;"><b>WORKSHOP 2: CAPACITY BUILDING - DIRECTOR TRAINING</b></p> <p>The role of directors in corporate governance is widely recognized but capacity building is a challenge in many markets. This workshop will focus on the lessons learned in building institutions to support director training. The country examples will be supplemented by presentation of a toolkit on director training published by the Global Corporate Governance Forum which distills the experience of 12 developing countries. The workshop will address the practical elements of building a director training organization, from establishing an organizational base, developing financial independence and sustainability, the role of the group beyond training to include advocacy and services and development of professional ethics.</p> <p><b><u>Moderator:</u></b> Tracey Mutaviri, Dean, Faculty of Commerce, University of Zimbabwe, Institute of Directors, Zimbabwe</p> <ul style="list-style-type: none"> <li>• <b><u>The Latin American Example</u></b> by Paulo Villares, President, Institute for Corporate Governance, Brazil</li> <li>• <b><u>The East African Example</u></b> by Karugor Gatamah, Executive Director, Center for Corporate Governance, Kenya</li> <li>• <b><u>The Russian Example</u></b> by Alexander Filatov, Executive Director, Independent Directors Association, Russia</li> <li>• <b><u>The East Asian Example</u></b> by Warapatr Todhanakasem, Managing Director, Thai Rating Information Service Company Limited, Thailand</li> </ul> <p><b><u>Open Discussion</u></b></p> <p><b><u>Conclusions and Implications for Future Work</u></b> by the Moderator</p> |
| <p>14:00 – 17:30</p> | <p style="text-align: center;"><b>WORKSHOP 3: PRIVATE SECTOR INITIATIVES TO PROMOTE ENFORCEMENT</b></p> <p>For legal and regulatory reforms to be credible with investors, they must be properly implemented and effectively enforced. The private sector has a role to play in supporting effective enforcement and creating a culture of compliance. This workshop will consider two tools, which have been developed to promote enforcement using private sector initiative.</p> <p><b>Codes of Best Practice</b> on corporate governance have been developed to provide practical guidance on implementation of legal frameworks, and to create a market benchmark which reputational agents and others can use to promote reform. Regulators have supported codes of best practice in different ways to strengthen and to supplement the legal framework. Questions to be addressed include: what is the role of codes in relation to law and regulation? How can they be implemented? What is the most effective process for drafting?</p> <p><b>Investor activism</b> is critical to effective corporate governance, as shareholders need to take responsibility for protecting their own interests. The policy framework for encouraging activism by both institutional and retail investors will vary according to the pattern of ownership and legal framework. Lessons learned on creating incentives and effective outcomes will be discussed from different markets</p> <p><b><u>Moderator:</u></b> Ravi Narain, Managing Director and CEO, National Stock Exchange of India Ltd</p> <p><b><u>Introduction:</u></b> Stijn Claessens, Professor of International Finance, University of Amsterdam</p>     |

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|               | <ul style="list-style-type: none"> <li>• <b><u>Codes of Best Practice:</u></b> <i>South Africa's Experience</i> by Philip Armstrong, Convenor of the King Committee, Adviser to the Pan African Consultative Forum on Corporate Governance</li> </ul> <p><b><u>Discussants:</u></b><br/> Paola Gutierrez Velandia, Senior Manager, Corporate Governance Project, Colombia<br/> Motria Onyschuk-Morozov, Senior Operations Manager, Corporate Governance, Central and Eastern Europe Department, IFC<br/> Ajith Cabraal, Former Chairman, Institute of Chartered Accountants of Sri Lanka</p> <ul style="list-style-type: none"> <li>• <b><u>Investor Activism:</u></b> <i>The Russian Example</i> by Alexander Ikonnikov, Executive Director, Investor Protection Association, Russian Federation</li> </ul> <p><b><u>Discussants:</u></b><br/> Gratiela Iordache, President, Minority Shareholders Association, Romania<br/> John Plender, Financial Times, United Kingdom</p> <p><b><u>Open Discussion</u></b></p> <p><b><u>Conclusions and Implications for Future Work</u></b> by the Moderator</p> |
| 14:00 – 17:30 | <p align="center"><b>WORKSHOP 4: LESSONS LEARNED FROM REPORTS ON THE OBSERVANCE OF STANDARDS AND CODES – CORPORATE GOVERNANCE</b></p>   |
|               | <p>The IMF-World Bank Reports on the Observance of Standards and Codes (ROSCs), provide a diagnostic tool for countries mapping their priorities for reform. The corporate governance ROSCs are framed by the OECD Principles. This workshop will review findings of the 28 corporate governance ROSC assessments completed to date in developing and emerging markets and discuss their role in framing the reform agenda.</p> <p><b><u>Moderator:</u></b> Federico Oviedo Vidal, CEO, Stock Exchange of Lima, Peru</p> <ul style="list-style-type: none"> <li>• <b><u>Findings from Country Assessments and Next Steps</u></b> by Olivier Frémond, Program Coordinator, Corporate Governance, The World Bank</li> </ul> <p><b><u>Discussants:</u></b><br/> Samiha Fawzy, Deputy Director and Lead Economist, The Egyptian Center for Economic Studies, Egypt<br/> Alvaro Clarke de la Cerda, Consultant (Former Securities Commission Head), Chile</p> <p><b><u>Open Discussion</u></b></p> <p><b><u>Conclusions and Implications for Future Work</u></b> by the Moderator</p>                        |

*Tuesday, 4<sup>th</sup> November 2003*

| THEME III:<br>CONSULTATION ON THE OECD PRINCIPLES OF CORPORATE GOVERNANCE |  |
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| 9:00 – 9:20   | <p><u>Opening Remarks</u><br/>           Jean-Francois Rischard, Vice President for Europe, World Bank<br/>           Veronique Ingram, Chair, OECD Steering Group on Corporate Governance<br/>           Francesco Olivieri, Chair of the OECD Committee for Co-operation with Non-Members</p>  |
|   | <p><u>Chairperson</u><br/>           Rainer Geiger, Deputy Director, Directorate for Financial, Fiscal and Enterprise Affairs, OECD</p>  |
| 9:20 – 11:00  | PRINCIPLES I & II: SHAREHOLDER RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS  |
|   | <p><i>“The corporate governance framework should protect shareholders’ rights (...) and should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights.”</i></p> <p><b><u>Opening Commentary:</u></b><br/>           Alvaro Clarke de la Cerda, Consultant (Former Securities Commission Head), Chile<br/>           Marina Bourmistrova, Head of Corporate Law Department, Ministry of Economic Development and Trade, Russian Federation<br/>           Rachid Belkahia, President, Ethics Committee of CGEM, Morocco</p> <p><b><u>Open Discussion on Recommendations for Review</u></b></p>   |
| 11:00 – 11:30   | REFRESHMENT BREAK  |
| 11:30 – 13:00   | PRINCIPLES III: THE ROLE OF STAKEHOLDERS   |
|   | <p><i>“The corporate governance framework should recognize the rights of stakeholders as established by law and encourage active co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.”</i></p> <p><b><u>Opening Commentary:</u></b><br/>           Philip Armstrong, Convenor of the King Committee, Adviser to the Pan African Consultative Forum on Corporate Governance<br/>           Samir Latif, Senior Legal Advisor, USAID/Macedonia Corporate Governance and Company Law Project, Former Yugoslav Republic of Macedonia<br/>           Boubacar Keita, Secretary-General, West African Bankers' Association, Sierra Leone</p> <p><b><u>Open Discussion on Recommendations for Review</u></b></p> |
| 13:00 – 14:00   | LUNCH  |

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| <b>14:00 – 15:30</b> | <b>PRINCIPLES IV: DISCLOSURE AND TRANSPARENCY</b>  |
|                      | <p><i>“The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company.”</i></p> <p><b>Opening Commentary:</b><br/> Ravi Narain, Managing Director, CEO, National Stock Exchange of India Ltd<br/> N’dungu Gathinji, Chief Executive Officer, Eastern Central and Southern African Federation of Accountants (ECSAFA), Kenya<br/> Sir K. Dwight Venner, Governor, Eastern Caribbean Central Bank, St Kitts-Nevis</p> <p><b><u>Open Discussion on Recommendations for Review</u></b></p> |
| <b>15:30 – 16:00</b> | <b>REFRESHMENT BREAK</b>   |
|                      |  |
| <b>16:00 – 17:30</b> | <b>PRINCIPLES V: RESPONSIBILITIES OF THE BOARD</b>   |
|                      | <p><i>“The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board’s accountability to the company and the shareholders.”</i></p> <p><b>Opening Commentary:</b><br/> Jesus Estanislao, President &amp; CEO, The Institute of Corporate Directors, Philippines<br/> Patrick Chisanga, President, Institute of Directors, Zambia<br/> Sheela Rahman, Barrister-at-Law, Sadat Sarwat Sheela &amp; Associates, Bangladesh</p> <p><b><u>Open Discussion on Recommendations for Review</u></b></p>  |
| <b>17:30 – 17:45</b> | <b>CLOSING REMARKS</b><br>Rainer Geiger, Deputy Director, Directorate for Financial, Fiscal and Enterprise Affairs, OECD   |