

ENHANCING THE PERFORMANCE OF STATE-OWNED ENTERPRISES

***12th Meeting of the Asia Network
on Corporate Governance of
State-Owned Enterprises***

***4-5 September 2019
Manila, Philippines***

DRAFT AGENDA



With the support of the Korea Institute of Public Finance and the Asian Development Bank





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Manila, 4-5 September 2019

Background on the Asia Network on Corporate Governance of State-Owned Enterprises

The Asia Network on Corporate Governance of State-Owned Enterprises provides a forum for policy makers, practitioners and experts from Asia to identify common challenges related to state-owned enterprise (SOE) ownership and governance; evaluate current SOE corporate governance policy frameworks and practices; benchmark these against international good practice as described in the OECD Guidelines on Corporate Governance of State-Owned Enterprises (SOE Guidelines); and share good practices and develop recommendations for effective reform. The Network builds on key pillars of the SOE Guidelines to maximise SOEs' contributions to sustainable development and provide a structured environment for initiatives to support improvements in the governance of SOEs. In addition to its role in promoting this good practice governance standard, the Network also facilitates closer co-operation between state ownership practitioners in Asia and delegates to the OECD Working Party on State Ownership and Privatisation Practices. The OECD will organise the Network's 12th meeting, jointly with the Governance Commission of the Government-Controlled Companies of the Philippines and Asian Development Bank in Manila, Philippines, with support from the Korea Institute of Public Finance.

Objectives

State-owned enterprises (SOEs) in Asia often supply fundamental services such as water, electricity and transportation that private companies depend upon for their competitiveness, and on which the citizens depend for their quality of life. Ensuring that governments efficiently manage these assets is therefore crucial for the sustainability and competitiveness of the broader enterprise sector. In many cases, poor corporate governance of SOEs has had negative consequences on countries' economic development.

Many governments in Asia have taken important steps towards developing and improving the governance of their SOEs and equivalent public institutions over the past few decades in order to maximise their contributions to growth and development. The efforts include setting up and clarifying SOEs' financial and non-financial objectives, better co-ordinating ownership responsibilities within the state administration, measuring and evaluating performance against quantifiable targets, and improving transparency and accountability through reporting on SOE activities and performance. It is also notable that more recent trade and investment agreements include chapters on the transparency and governance of SOEs.

However, building a whole-of-government approach on state ownership governance still presents many practical challenges for governments in bringing national practices in line with internationally-agreed standards. Indeed, more attention needs also to be given to the fact that SOEs can be particularly at risk for corruption due to their proximity to the state and the fact that they often operate in sectors with high corruption risk. The close relationship between the state and SOEs can also influence the transparency of public financial flows, and the complexity of the accountability chain could also increase opportunities for corruption in SOEs.

Through the process of knowledge sharing, the 1 and ½ day event will allow an exchange of national experiences on relevant state ownership and SOE governance practices and support ongoing efforts to help governments identify priorities for SOE reform and implementation of the aspirational standards of SOE governance established by the newly revised OECD Guidelines on Corporate Governance of State-Owned Enterprises (SOE Guidelines). The meeting will first stocktake the recent developments of SOE reform related to ownership practices, privatisation and corporate governance in select participant countries relative to the SOE Guidelines, including the host country – Philippines. It will be followed by topical sessions which will focus on performance management and evaluation systems; anti-corruption and anti-money laundering; and disclosure and transparency. By the end of the discussion, it is hoped that the OECD will have a 'road map' of key questions to answer, with a particular focus on areas where the OECD could offer a clear 'value added', given its experience in monitoring and promoting implementation of the SOE Guidelines.

Format and Participation

The event is attended by representatives of governments, state ownership entities, individual SOEs, international organisations, corporate practitioners and relevant experts invited to consider experiences on SOE governance reforms from a range of perspectives.



AGENDA

DAY ONE - Wednesday 4 September 2019

9.20-9.50 Registration

9.50-10.30 Welcoming remarks

- *Secretary Samuel G. Dagpin, Jr.*, Chairperson, Governance Commission for GOCCs
- *Dr. Sikyung Seong*, Head of Evaluation Research Team at the Research Centre on State-Owned Entities, Korea Institute of Public Finance (KIPF)
- *Ms. Mathilde Mesnard*, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD
- *ADB Representative*

Keynote remarks

- *Secretary Wendel Avisado*, Secretary, Department of Budget and Management

10:30-10:50 Coffee break

10:50-12:00 Spotlight on the Philippines

This session will allow participants to engage in an in-depth discussion concerning recent developments in state ownership practices in the host country, the Philippines. Presentations by government officials and experts from the Philippines will be followed by an open discussion where participants can ask follow up questions.

Moderator: *Ms. Anne Molyneux*, Director, CS International

Speakers:

- *Atty. Johann Carlos S. Barcena*, Director IV, Governance Commission for GOCCs
- *Atty. Engelbert C. Caronan Jr.*, President and CEO, Development Academy of the Philippines (DAP)

12:00-13:30 Lunch - hosted by Governance Commission for Government-Owned or Controlled Corporations

13:30-15:30 Roundtable on recent SOE reform experiences

The OECD SOE Guidelines provide concrete guidance and advice to governments - as shareholders in SOEs and SOEs themselves - on how to more effectively organise and professionalise state-owned enterprises. This session will allow participants to track progress and challenges in SOE governance reform related to ownership practices, corporate governance and privatisation in their respective countries. The select participant countries will be asked to provide updated information on where they stand vis-a-vis implementation of the [OECD Guidelines on Corporate Governance of State-Owned Enterprises \(SOE Guidelines\)](#).

Key topics: *Ownership practices. corporate governance. privatisation*

Moderator: *Mr. Hans Christiansen*, OECD



Speakers:

- *Dr. Madhukar Gupta*, Additional Secretary, Department of Public Enterprises, India
- *Mr. Zhu Kai*, State-Owned Assets Supervision and Administration Council (SASAC), People's Republic of China
- *Ms. Chantsaldulam Ganbaatar*, Foreign Relations Officer, Mongolian Government Agency for Policy Coordination on State Property
- *Mr. Tran Tho Hai*, Head of General Policy Division, Corporate Finance Department, Ministry of Finance, Viet Nam
- *Atty. Alberto Reyno*, Managing Director, Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)

15:30-16:00 Coffee break

16:00-17:30 National practices for performance evaluation and management in comparative perspective

The ultimate purpose of state ownership of enterprises should be to maximise value for society, through an efficient allocation of resources. Highlighting SOEs' performance and the performance of the state as an owner not only creates incentives to better perform for all SOE officials and civil servants involved, but it also strengthens public demand for further reforms. In this context, this session will provide opportunity to discuss some of the key elements necessary to improve the performance evaluation systems of SOEs in Asia. Performance evaluation practices differ depending in part on SOEs' degree of corporatisation, their commercial (or public policy) orientation and their proximity to the public administration. The session will introduce good practices of those countries undertaking performance management of SOEs and discuss lessons for developing good practices towards performance evaluation and monitoring within Asia and the key areas moving forward.

Key words: performance evaluation, performance managing systems, monitoring systems, performance indicators

Moderator: *Mr. Lawrence Lee*, CEO, Corporate Governance Research Center, National Taipei University of Business, Chinese Taipei

Speakers:

- *Dr. Sikyung Seong*, Head of Evaluation Research Team at the Research Centre on State-owned entities, Korea Institute of Public Finance (KIPF)
- *Mr. David Robinett*, Senior Public Management Specialist (State Owned Enterprise Reforms), Asian Development Bank (ADB)
- *Dr. U.D. Choubey*, Director General, Standing Conference of Public Enterprises (SCOPE), India
- *Mr. Ugyen Wangdi*, Senior Analyst, Performance Improvement Division, CPD, Druk Holding & Investments Limited

19:00 Conference dinner

Hosted by Governance Commission for Government-Owned or Controlled Corporations
Address: The Peninsula Manila, Corner of Ayala and Makati Avenues, 1226, Makati, Metro Manila

Dress code : Smart Casual



DAY TWO - Thursday 5 September 2019

Thematic discussion : The State's role in preventing corruption and enhancing integrity in SOEs

Minimising and preventing corruption of SOEs by realising synergies at different levels of governance is central to achieving their sustainable development and economic efficiency. This session will discuss the growing importance of improving corporate governance in SOEs to prevent corruption and stocktake relevant reform efforts on ensuring consistency between the different levels of governance to prevent corruption and achieve business integrity in SOEs. The topics to be discussed include good practice on anti-money laundering in SOEs and developing and implementing transparency and disclosure standards in the SOE sector.

09:00-10:30 Preventing money laundering in SOEs and other corrupt practices

More attention needs to be given to the fact that the close relationship between the state and SOEs can also influence the transparency of public financial flows, and the complexity of the accountability chain could also increase opportunities for corruption and money-laundering in SOEs. As part of efforts to tackle key corruption risks specific to SOEs, there is an increasing need for SOEs to have additional policies in relation to anti-money laundering including cross-checking owners of SOEs, directors and representatives, and comparing them and affiliates in anti-money laundering and anti-terrorist financing, or bribery, databases. This panel will also discuss the OECD's ongoing work in this area, including the newly launched [Anti-Corruption and Integrity Guidelines for SOEs](#).

Key words: anti-corruption, anti-money laundering, anti-terrorist financing, business integrity

Moderator: Dato' Abdul Aziz Abu Bakar, Director, Institute of Corporate Directors Malaysia (ICDM)

Panellists:

- Dr. Ram Kumar Mishra, Director, Institute of Public Enterprise (IPE), India
- Dr. Antonius Alijoyo, Board Member, National Committee on Governance Indonesia, ERMCP, CERG
- Atty. Emilio B. Aquino, Chairperson of the Philippines Securities and Exchange Commission
- Dr. Ali Salman, CEO, IDEAS, Malaysia

10:30-11:00 Coffee break

11:00-12:30 Transparency and disclosure standards in Asia

Good practice calls for SOEs to be as accountable to the public as a listed company is expected to be to its shareholders. Ensuring that SOEs respect high standards of accounting, auditing and disclosure is important for allowing the state to monitor performance against established objectives and reducing corruption risks in SOEs. This session will allow participants to discuss disclosure requirements placed on SOEs in their respective jurisdictions including the auditing and aggregate reporting practices. It will share national experiences with related reforms and discuss challenges to developing and implementing sound disclosure and transparency standards.



The discussion will build on the results of the new OECD survey on stocktaking of transparency and disclosure measures for SOEs in Asian countries.

Key words: aggregate reporting practices, transparency, financial and non-financial disclosure

Moderator: *Mr. Fuad Hashimi*, Head, Centre of Excellence in Responsible Business, Pakistan Business Council, Pakistan

Panellists:

- *Ms. Chung-a Park*, Policy Analyst, Corporate Finance and Corporate Governance Division, OECD
- *Ms. Natnipha Luangsomboon*, Senior Analyst, State Enterprise Policy and Planning Bureau (SEPO), Thailand
- *Ms. Netra Sahani*, Additional General Manager, Listing Compliance, BSE Limited, India
- *Ms. Ya Eem Chea*, Head, Corporate Governance Division , Securities Issuance Supervision Department, Securities and Exchange Commission of Cambodia
- *Ms. Elvira Konakhbayeva* , CG Director, Samruk-Kazyna JSC , Kazakhstan

12.30

Way forward

- *Ms. Janet B. Abuel*, Officer-in-Charge Secretary of Budget and Management, Department of Budget and Management
- *Dr. Si Kyung Seong*, Head of Evaluation Research Team at the Research Centre on State-Owned Entities, Korea Institute of Public Finance (KIPF)
- *Ms. Chiara Bronchi*, Chief Thematic Officer, Asian Development Bank
- *Senator Richard J. Gordon*, Chairperson of the Committee on Government Corporations and Public Enterprises, Senate of the Philippines - *Undersecretary Michael P. Cloribel*, Commissioner, Governance Commission for GOCCs (TBC)

Concluding remarks

- *Undersecretary Marites Cruz-Doral*, Commissioner, Governance Commission for GOCCs - *Undersecretary Michael P. Cloribel*, Commissioner, Governance Commission for GOCCs (TBC)
- *Ms. Mathilde Mesnard*, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD



For more information please contact:

**Chung-A Park (Chung-A.Park@oecd.org) or
Elisabetta Pilati (Elisabetta.Pilati@oecd.org)**



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