

The 8th Meeting of the Asia Network on Corporate Governance of State-Owned Enterprises

Special Theme: Performance Management

- Agenda -

16-17 November 2015

Location:
Hanoi, Viet Nam

Venue:
Sheraton Hanoi

With the support of Government of Korea



MINISTRY OF STRATEGY
AND FINANCE

Co-organised with:

Korea Institute of Public Finance (KIPF)

Vietnam Institute for Development Strategies (VIDS)

Korea Development Institute (KDI)

Background

In many Asian countries, state-owned enterprises (SOEs) are still significant economic players. The governance of SOEs is thus critical to ensure their positive contribution to the overall economic outputs and competitiveness of the country. Efforts at reforming SOEs and improving their performance have highlighted the importance of an effective legal and regulatory framework. In particular, better SOE governance requires: (i) establishing a level playing field between SOEs and other companies, (ii) well-functioning SOE boards and management teams, and (iii) high standards of transparency and accountability.

[The Asia SOE Network](#) has met seven times since 2006. The first three meetings covered the six chapters of the Guidelines on Corporate Governance of State-Owned Enterprises. Each meeting was dedicated to comparing regional practices with one or two chapters of the Guidelines and to developing specific recommendations in this regard. To keep the dialogue purposeful and to produce tangible outcomes, the Asia SOE Network has developed a Regional Policy Brief, providing a set of recommendations and priorities for policy reform in order to improve the corporate governance of SOEs in the economies of Asia. Accordingly, the last four meetings in Bangkok (2009), Kuala Lumpur (2010), Seoul (2011) and Bandung (2012) focused on implementation issues, discussing examples of good practices and the ways to implement the recommendations as provided by the Policy Brief.

Against the background of the revision of the OECD Guidelines in 2015, the Asia Network on Governance of State-Owned Enterprises is re-launched as a forum for the governments of Asia countries and other corporate governance practitioners to provide assistance in developing and implementing frameworks for national SOE sectors. As before, the new phase of the Network identifies common challenges related to state-owned enterprise ownership and governance, to share good practices and to develop recommendations for effective reform and performance management. The intention is also to use the Network to issue topical studies of SOE governance and reform comparing the practices of participating countries, based on the discussions at the Network meetings.

Objectives

The meeting identifies the key challenges to governance development for SOEs, establishing an effective corporate governance framework and reform priorities of SOEs in Asia. The discussion will form the basis for a future Asian SOEs' corporate governance initiative to support an effective legal and regulatory framework establishing a level playing field between SOEs and other companies, as well as well-functioning SOE boards and management, and high standards of transparency and accountability.

The objectives of the Network are:

- to raise awareness of all concerned constituencies on the importance and challenges related to the better corporate governance of SOEs;
- to evaluate the current SOE corporate governance policy frameworks and practices, and benchmarking these against international good practice as described in the new Guidelines;
- to influence policy making by providing a forum in which policy makers, practitioners and experts can share knowledge and experience among themselves and with their OECD peers;
- to support viable and effective reforms in the area of SOE corporate governance, by discussing and analysing policy options, developing relevant recommendations and agreeing on priorities for reforms adapted to the conditions in Asian economies.

Format and participation

The Network currently brings together representatives from the Asian and (when relevant) other economies, including government departments responsible for the ownership and oversight of SOEs and corporate governance, which are provided with capacity building and assistance by means of the Network. It also benefits from the regular participation of a number of regional and international organisations.

Each meeting will normally last for 1½ days and covers three blocks of issues: (1) the reform priorities of the host country; (2) an update of recent ongoing developments across the economies participating in the Network; and (3) a topical discussion based on materials provided by Network participants which will be compiled by the Secretariat and issued as a publication by the Network. **Meeting documentation will be circulated to all registered participants 2 weeks before the meeting.**

The 2015 Meeting of the Asia SOE Network

The overarching theme for this year's Network meeting is 'Performance Management of SOEs'. In many Asian economies, SOEs are not only part of vital governmental functions but are also involved in purely commercial activities for profit. These various purposes that the government assigns to SOEs point out the significant and often pioneering role those SOEs play in the growth and development of emerging economies.

However, in the case of government subsidies and preferential policies, SOEs may build dominant positions in strategic industries. The support from the government can also give fewer incentives for SOEs to upgrade management, improve the quality of their products and services, or build their innovative capacity. Uncompetitive SOEs lead to poor performance and huge losses. A heavy reliance on the government for financial support and guarantees, possibly coupled with outdated business model and low penalties for poor performance, may also have as a result that SOEs are less attentive to risks.

Half of the second day of the Network also will provide a platform for a structured policy dialogue and an exchange of practical experiences in the area of performance management for SOEs. The Network will take initial steps towards establishing a broad-based consensus on practices for establishing performance criteria and monitoring implementation in SOEs. It will bring together leading SOE practitioners with practical experience in a common endeavor to agree on, and implement, best practices in the broader Asian context.

Part 1: Monday 16 November 2015

Annual Network Meeting

13:00 - 13:30	Registration
13:30 - 14:00	Inaugural Session: Opening Remarks

This session will announce the re-launch of the Asia Network on Corporate Governance of State-Owned Enterprises and explain the background and main objectives of the Network.

- Mr. Dang Huy Dong, Deputy Minister, Ministry of Planning and Investment (MPI), Viet Nam
- Mr. Hyung-Soo Park, President, Korea Institute of Public Finance (KIPF), Korea
- Mr. Lars Erik Fredriksson, Chair, OECD Working Party on State Ownership and Privatisation Practices, Sweden

14:00 - 15:15	Session 1: Good practices and best practices: an evolving consensus in OECD and Asia?
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The OECD Guidelines on Corporate Governance of State-Owned Enterprises give concrete advice to countries on how to manage more effectively their responsibilities as company owners, thus helping to make state-owned enterprises more competitive, efficient and transparent. The SOE Guidelines have made a global impact since 2005. This session will present the new version of SOE Guidelines and discuss recent developments in Asia.

- Chair: Mr. Selim Yesilbas, General Director of State-Owned Enterprises, Turkish Treasury, Turkey
- Speakers
 - Mr. Hans Christiansen, Senior Economist, Corporate Affairs Division, OECD
 - Mr. Madhukar Gupta, Additional Secretary, Department of Public Enterprises, Ministry of Public Enterprises and Heavy Industries, India
- Discussant
 - Mr. Changyong Choi, Director, Center for International Development, Korea Development Institute (KDI), Korea
 - Ms. Tricia Yeoh, Chief Operating Officer, Institute for Democracy and Economic Affairs (IDEAS), Malaysia

15:15 - 15:30	Coffee/Tea Break
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15:30 - 17:30

Session 2: SOE governance reform in Asian Countries: recent experiences & prospects

The Asian SOE Network has developed a Policy Brief on Corporate Governance of SOEs in Asia, providing a set of recommendations for policy reforms in order to improve the corporate governance of SOEs in the economies of Asia. This will be the meeting to take place after the finalisation of this document. The Policy Brief will be used to review progress in implementing reforms and assessing the priorities of individual countries.

The Network participants are invited (prior to the Network meeting) to fill out a reporting template drafted according to the recommendations found in the Policy Brief. In this session, we will further invite a tour de table of the survey respondents.

- Chair: Mr. Bong-Hwan Cho, Director General, Ministry of Strategy and Finance (MOSF), Korea

- Tour de table on implementing reform priorities according to the Policy Brief
 - Mr. U.D. Choubey, Director General, Standing Conference of Public Enterprises (SCOPE), India
 - Mr. Aung Naing Oo, Director General, Investment Promotion Division, Myanmar
 - Mr. Yuan Liu, Deputy Director General, State-owned Assets Supervision and Administration Commission, China
 - Mr. Fuad Hashimi, President & CEO, Pakistan Institute of Corporate Governance, Pakistan
 - Ms. Ma. Angela E. Ignacio, Commissioner, Governance Commission for GOCCs, Philippines

18:00

Welcome Dinner, to be held at Song Hong 3 (Served dinner)

Part 1: Tuesday 17 November 2015

Annual Network Meeting

09:00 - 09:30 **Inaugural Session: Keynote Speech**

This session will address current and future challenges and priorities concerning SOEs in Viet Nam and Asia.

- Mr. Bui Tat Thang, President, Vietnam Institute for Development and Strategies (VIDS), Viet Nam
- Mr. Bong-Hwan Cho, Director General, Ministry of Strategy and Finance (MOSF), Korea

09:30 - 10:00 **Coffee/Tea Break (and press interviews with VIP participants)**

10:00 - 12:00 **Session 3: SOE Governance Reform in Viet Nam: experience & prospects**

The objective of this session is to invite an in-depth discussion of the current status of reforms in Viet Nam. Accordingly, the current status of practices and on-going reforms in the country will be presented, and discussants from the Network will comment, based on their experiences in their respective countries.

This session will conclude the first part of the Annual Network Meeting and provide an opportunity for Network members to discuss the future themes for discussion, agree on future work to be pursued and identify a host country for the next Network meeting.

1. What are the key areas and issues concerning SOEs in Viet Nam?;
 2. How does SOE policy in Viet Nam influence economic growth, investment decisions and development?
- Chair: Mr. John Lim, Chairman of Boustead Projects Ltd., Immediate Past Chairman of Singapore Institute of Directors (SID), Singapore
 - Speakers:
 - Mr. Nguyen Duy Long, Director, Division of Enterprise Renovation, reorganization and Development, Financial Department for Enterprise, Ministry of Finance (MOF), Viet Nam
 - Ms. Lan Nguyen, Director, Division of SOE Reform Agency of Enterprise Development, Ministry of Planning and Investment (MPI), Viet Nam
 - Commentaries:
 - Mr. Sang-Woo Nam, Honorary Fellow, Center for International Development, Korea Development Institute (KDI), Korea
 - Mr. Takashi Sakakibara, Chief Advisor, JICA SOE & Banking Sector Restructuring Project (MOF, SBV), Japan
 - Open discussion

12:00 - 13:30 **Lunch Break, to be held at Hemispheres restaurant (Buffet)**

Part 2: Tuesday 17 November 2015

Workshop on Improving the Performance of SOEs

13:30 - 15:30

Session 4: Good practices of Performance Management in Asia

This session will set the stage by providing an opportunity to discuss some of the key elements necessary to improve the performance of SOEs in Asia. The good practices of those countries undertaking performance management of SOEs will be introduced. Speakers will have been asked to respond to a questionnaire issued prior to the meeting by the Secretariat, providing detailed information about their national practices toward performance monitoring. Their responses will be tabled as background documents at the meeting. After the meeting they will be issued as a publication by the Network in the form of a synthesis document produced by the Secretariat and approved by the Network participants.

Topics to be discussed may include:

1. What has been the development and progress of performance management and has it had a significant impact on the performance and market position of SOEs?
2. What are the main performance managing systems faced in the past?
3. What are the key areas moving forward?

Part I.

- Moderator: Mr. Wonhee Lee, Director of SOE Policy Evaluation Research Team, Korea Institute of Public Finance (KIPF), Korea
- Speakers:
 - Mr. Damber Kharka, Officiating CEO, Druk Holding and Investments, Bhutan
 - Mr. Yuan Liu, Deputy Director General, State-owned Assets Supervision and Administration Commission, China
 - Mr. Ram Kumar Mishra, Director, Institute of Public Enterprise, India
 - Mr. F. Antonius Alijoyo, Chairman, National Committee on Governance, Indonesia
 - Mr. Hanjun Park, Head of SOE Evaluation Research Team, Korea Institute of Public Finance (KIPF), Korea
- Commentary on India:
 - Mr. Madhukar Gupta, Additional Secretary, Department of Public Enterprises, Ministry of Public Enterprises and Heavy Industries, India
- Discussant
 - Mr. Hans Christiansen, Senior Economist, Corporate Affairs Division, OECD

15:30 - 15:45

Coffee/Tea Break

15:45 - 17:45

Session 4: Good practices of Performance Management in Asia

Part II.

- Moderator: Mr. Lars Erik Fredriksson, Chair, OECD Working Party on State Ownership and Privatisation Practices, Sweden

- Speakers:
 - Ms. Khine Khine Nwe, Investment Promotion Division, Myanmar (tbc)
 - Mr. Abdullah Yusuf, Chairman of Public Sector Committee, Institute of Chartered Accountants (ICAP), Pakistan
 - Mr. Cesar L. Villanueva, Chairman, Governance Commission for GOCCs, Philippines
 - Mr. John Lim, Chairman, Boustead Projects Ltd., Immediate Past Chairman of Singapore Institute of Directors (SID), Singapore
 - Ms. Huong Nguyen, Senior Researcher, Vietnam Institute for Development and Strategies (VIDS), Viet Nam

- Discussant
 - Mr. Seungju Baek, Senior Policy Analyst, Corporate Affairs Division, OECD

17:45 - 18:00

Concluding Remarks by hosts, sponsors and the OECD

18:00 -

Network Dinner, to be held at Song Hong 3 (Buffet)

Back to Back Meeting: Wednesday 18 November 2015

2015 KSP Regional Workshop in Asia

Public Finance Management Reforms in Asian Countries

Please contact Yunhee.kim@oecd.org for information about the event.