



**OECD Global Network on Privatisation and Corporate
Governance of State-Owned Enterprises**

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DRAFT AGENDA

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Background to the Network

Around the world, governments are important owners of commercial enterprises and assets. How well the government manages these assets will have a great impact on the substantial values these enterprises represent and thus on a country's public finances. Better performance of these enterprises is a positive factor for economic growth and competitiveness. In addition, state-owned enterprises often supply fundamental services such as water, electricity and transportation that private companies and all citizens depend upon for their competitiveness and welfare.

Many governments are therefore trying to improve the governance of their state-owned enterprises. There is an upcoming interest to improve the value creation and not destroy often important investments made by state owned enterprises. In addition to this, pressure comes from the consumers who demand better services at lower cost and from private sector companies that require a level playing field when they compete with state-owned enterprises.

But while the benefits are obvious, there is still a great deal of uncertainty about how to formulate and implement effective ownership policies. Experiences and awareness of state corporate governance practices are still evolving, and governments are also uncertain of how to make the best possible use of the opportunities for privatisation that have emerged with internationalisation, market de-regulation and technological change. Also, the internationalisation of state-owned enterprises themselves raises important new issues in relation to cross-border investments and disclosure practices.

Against this background, the OECD has been actively involved in promoting an international dialogue on privatisation and corporate governance of state-owned enterprises. As part of that work, OECD issued the Guidelines on Corporate Governance of State-Owned Enterprises in 2005, which now serve as a global benchmark for countries introducing governance reforms in the state-owned sector. A large number of non-OECD economies have also participated in this work and made important contributions. The OECD Working Group on Privatisation and Corporate Governance of State Owned Assets considers such co-operation important in shaping the direction and content of its future work.

For this purpose, the Working Group is establishing a "Global Network," involving participants from both OECD and non-member countries. The Network's annual meetings will provide a structured dialogue on OECD's initiatives to support improvements in the governance of SOEs and, for cases in which governments decide to privatise, provide support to ensure that it is done effectively. The OECD has so far worked mainly through regional SOE networks (Asia, southern Africa, the Middle East and North Africa) and Corporate Governance Roundtables covering Latin America, Southeast Europe, Eurasia and Russia to build up awareness of the Guidelines and to encourage their use. The Global Network provides a mechanism for sustaining and enhancing such exchanges across all regions, as an opportunity to build knowledge of and contacts with a broader range of countries. It will provide a means for better understanding of emerging new issues and trends in state ownership, and for reviewing priorities and approaches for implementing the Guidelines on such issues as transparency and accountability, ensuring effective processes for nomination of professional SOE board directors, and other issues that the participants themselves may wish to flag as important for future consideration.

Objectives of this first meeting

The main focus of the first Global Network meeting will be to review a draft of the Implementation Guide for Transparency and Accountability in State Ownership, developed by the OECD Working Group. It is the ambition of the Working Group that the review will provide additional experiences that will ensure the usefulness and relevance of the Guide. With a view to future work, the meeting will also discuss the economic role of SOEs and how good SOE governance and effective privatization can contribute to the achievement of economic and social objectives.

9.00 – 9.30 **Introduction**

Welcoming remarks: Rainer Geiger, Deputy Director, Directorate for Financial and Enterprises Affairs

SOE Reform worldwide and the role of the Global Network

Lars Johan Cederlund, Chair, Working Group on Privatisation and Corporate Governance of State Owned Assets

9.30 - 13.15 **Discussion on the five chapters of the Draft Transparency and Accountability Guide**

9.30 – 10.45 **Plenary Session 1: Setting Objectives**

This session will address the first chapter of the Draft Transparency and Accountability (T&A) Guide, covering topics including setting specific objectives and targets at the ownership entity level and for individual SOEs.

Introduction

Dr. K. D. Tripathi (Joint Secretary, Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, India)
& Dr. Sikander Dewan (Director General, Standing Conference of Public Enterprises (SCOPE), India)

Comments

Ashraf Gamal (Executive Director, Egyptian Institute of Directors)

Open Discussion led by Mats Isaksson, Head of Division, Corporate Affairs Division, OECD

10.45 – 11.15 **Refreshments**

11.15 – 12.15 **Break-out Session 2a : Monitoring/Reviewing Performance**

This break-out session will discuss the second chapter of the T&A guide covering topics like monitoring, annual review and benchmarking of SOE performance.

Introduction

Jeremias Paul Jr. (Under Secretary, Department of Finance, The Philippines)

Comments

Daniel Tembe (Executive Chairman, IGEPE, Mozambique)

Open Discussion

Chair/Rapporteur: Sefa Pamuksuz (Director General, Turkish Treasury)

Break-out Session 2b : Reporting on Performance

This break out session will discuss the fourth chapter of the T&A guide covering topics including publication of aggregate reports, development and update of websites and reporting to Parliament.

Introduction

Mohamed Adam (Corporate Secretary and Legal Counsel, Eskom Holdings Limited, South Africa)

Comments: Areepong Bhoocha-oom (Director-General, State Enterprise Policy Office, Thailand)

Open Discussion

Chair/Rapporteur: Luis Felipe Cespedes (General Coordinator of Advisers and Economic Policy, Ministry of Finance, Chile)

12.15 – 13.15

Break-out Session 3a:

Auditing Performance

This session will address the third chapter of the Guide and will cover issues of internal audit, external and independent auditors and state audit institutions.

Introduction

Francklin Furtado (Coordination and Control of Public Enterprises, Ministry of Planning, Budget and Management, Brazil)

Comments

Rana Assad Amin (Joint Secretary, Ministry of Finance, Pakistan)

Open Discussion

Chair/Rapporteur: John Lim (Director, Institute of Directors, Singapore, Chair of OECD Asia SOE Network)

Break-out Session 3b:

Ensuring adequate disclosure by SOEs

This session covering the fifth chapter of the Guide will address topics related to developing and implementing a disclosure and transparency policy, equitable treatment of all shareholders, disclosure on stakeholder relations and framework to deal with related party transactions.

Introduction

Qin Yongfa (Deputy Head, Board Pilot Project Office, SASAC, China)

Comments

Ivan Oskolkov (Director of Department of Corporate Governance, Ministry of Economic Development and Trade, Russia)

Open Discussion

Chair/Rapporteur: Morten M. Kallevig (Deputy Director General, Ministry of Trade and Industry, Norway)

13.15 - 14.45

Lunch

14.45 – 16.00

Plenary Session 4: Reports from the Breakout Sessions and Main Conclusions

Rapporteurs of the break-out sessions will present the main suggestions and conclusions for each chapter, followed by open discussion.

Discussion will be led by Mats Isaksson, Head of Division, Corporate Affairs Division, OECD

16.00 – 16.30

Refreshments

16.30 - 18.00

Plenary Session 5: Corporate Governance of State Owned Assets – An Agenda for Economic Growth and Public Welfare

The meeting will discuss the role and economic impact of state-owned enterprises in today's economies and how improvements in corporate governance and effective privatization can create value and enhance economic efficiency. The discussion will provide input to shaping the direction of future work and initiatives by the OECD and the Global Network.

Discussion will be introduced and led by Mats Isaksson, Head of Division, Corporate Affairs Division, OECD