Corporate Governance Department
World Bank Group

The Organization of the Function of Ownership by the State

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The different functions of the State

- Standard setter
- Delivery of public services
- Policy setting
- Customer
- The role of shareholder
• The function of ownership is the only function of the State that is truly specific to SOEs

• To ensure that the regulatory, policy setting and ownership functions of the state are properly fulfilled, each function should be separated within the organization of the government

➢ To each function its own organization
- The centralized model
- The decentralized model
- The dual or bicameral model
The centralized model
The decentralized model

Advisory Unit

Line Ministry
  SOE  SOE
  SOE  SOE

Private Shareholders

Line Ministry
  SOE  SOE
  SOE  SOE

Line Ministry
  SOE  SOE
  SOE  SOE
The dual/bicameral model

Central Ministry

Line Ministry

Central Coordinating Unit

Line Ministry

SOE

SOE

SOE

SOE

SOE
• Clear separation between the State’s ownership function and other State functions

• “The exercise of ownership rights should be clearly identified within the state administration. This may be facilitated by setting up a coordination entity, or more appropriately, by the centralization of the ownership function.”