

OECD Guidelines on Corporate Governance of State-Owned Enterprises:

State-Owned Enterprise Reviews

The OECD review

OECD reviews of state-owned enterprises (SOEs) evaluate the **ownership**, **corporate governance** and **regulatory arrangements** for SOEs in individual countries.

The reviews result in country-specific recommendations to better align national practices with the internationally-agreed standards of the OECD Guidelines on Corporate Governance of State-Owned Enterprises (SOE Guidelines).



Benefits of undertaking a review



Drive national reforms by providing an objective assessment against an internationally-recognised standard and facilitating dialogue and consensus on reform priorities across the public administration

Improve SOE performance, leading to better market efficiency, public service delivery and fiscal sustainability



Build institutional capacity by providing access to the knowledge and expertise of an international network of state ownership practitioners from OECD member countries with recent state ownership oversight and reform experiences

OECD Guidelines on Corporate Governance of State-Owned Enterprises

The OECD Guidelines on Corporate Governance of State-Owned Enterprise 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 Guidelines can serve as a national reform driver by aligning practices with international standards. A growing number of countries have taken steps to implement the Guidelines and refer to them in the development of regulations, corporate governance arrangements and ownership policies.



OECD Working Party on State Ownership and Privatisation Practices

SOE reviews are conducted by the OECD Working Party on State Ownership and Privatisation Practices, the international body responsible for developing and overseeing implementation of the SOE Guidelines. The Working Party provides a setting where countries can take in the shared and national experiences of OECD and partner countries and benefit from peer reviews to support reforms.

Adherence to the Guidelines

An SOE Review can result in official adherence to the SOE Guidelines, which implies that the Working Party recognises a willingness and ability to implement the standards of the SOE Guidelines. An SOE review can, however, also be undertaken on a stand-alone basis, without a request for adherence.

Funding the Review

SOE reviews are undertaken at the request of interested countries and subject to available funding. The reviewed countries contribute to cover the OECD Secretariat's costs of carrying out the review and may benefit from development assistance or other funding from outside donors.

Contents of the Review

SOE Landscape

Mapping of the national SOE landscape, including size of the SOE sector, ownership and regulatory arrangements, key relevant legislation and background on the SOEs' historical and political context

Assessment Relative to the SOE Guidelines

Assessment of implementation of the SOE Guidelines, covering seven chapters including: institutional arrangements for ownership and regulation, competitive landscape between SOEs and private enterprises, professionalism of SOE boards of directors, and, transparency and disclosure by SOEs and the state owner

Conclusions and Recommendations

SOE reviews result in recommendations for improving state ownership practices

Stages of the

Review process

Communication of interest



The country communicates its interest via a letter to the OECD



The Working Party decides whether and when to begin the review process



Fact-finding and preparation of the preliminary review



The relevant authorities complete a questionnaire covering the national SOE landscape and policies covered by the SOE Guidelines



The OECD organises fact-finding meetings to interview relevant national counterparts and gather additional information



First draft Review and discussions with the Working Party



The Working Party discusses the first draft of the SOE review at its bi-annual meeting, with participation from the reviewed country

Sharing the second draft Review with the national authorities



After additional information-gathering and/or a second fact-finding visit, a second draft of the Review is shared with the national authorities for review



Fact verification with the Working Party



The Working Party discusses the second draft of the review and agrees on its conclusions and recommendations, which are subsequently included in the review and addressed to the reviewed country



Publication and dissemination



The SOE review is published online, with the possibility of an official in-country launch if requested by the reviewed country

Recent country reviews

Brazil 2020

- Country review published in December 2020
- Launch webinar in March 2021
- Workshop for directors of national SOEs planned for 2021

Bulgaria 2019

- Adherent to the SOE Guidelines since 2019
- Adopted a new “Law on Public Enterprises” to strength ownership coordination and monitoring
- Established the Public Enterprises and Control Agency

Argentina 2018

- Adopted Guidelines on the Good Governance of SOEs
- Established an advisory committee on SOE governance
- Introduced an index to measure the quality of SOEs' financial data

Colombia 2015

- Strengthened ownership through policy and stronger separation of SOEs' ownership and regulation
- Issued a new SOE corporate code in 2017, giving boards a stronger role in CEO appointment
- Established a more transparent SOE board nomination process and committed to remove ministers from boards

Lithuania 2015

- Transferred the state ownership coordination function from an SOE to a public institution to reduce conflicts of interest
- Increased minimum required proportion of independent members on SOE boards
- Made high disclosure standards mandatory for large SOEs
- Established a plan for converting statutory SOEs to limited liability companies to level the playing with private companies

Learn more about OECD work on corporate governance of state-owned enterprises at:

www.oecd.org/corporate/soes

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