



## **3<sup>rd</sup> Meeting of the OECD Network on the Governance of State-Owned Enterprises in Southern Africa**

### ***Forging Ahead with Reforms***

#### **Agenda**

(Ver. 7.11.2012)

**8 - 9 October 2012**

**9:00am to 5pm**

Location:

DBSA Vulindlela Academy  
1258 Lever Road  
Midrand, South Africa



Sponsored by the Development Bank of Southern Africa  
With the financial support of the Norwegian Government  
In partnership with SADC-DFRC, NEPAD-OECD Investment Initiative, and APRM

## **Background**

Since 2007, in response to the need for improving the governance of state-owned enterprises (SOEs) in the region, the OECD has been working with local partners, including the Development Bank of Southern Africa (DBSA), to establish the Network on Governance of State-Owned Enterprises in Southern Africa. The Network held its first meeting in Cape Town, South Africa in May 2008 and convened again in 2009 in Maputo, Mozambique. Since its inception the Network has undertaken surveys of country practices and in-depth case studies of SOEs in selected African economies.

This year marks the beginning of a new phase for the Network, thanks to funding support from the Norwegian Ministry of Trade and Industry. The aim of this phase is to enlarge participation to the latest members of the Southern African Development Community (SADC) as well as some neighbouring countries, while reinforcing existing ties with national and regional partners including the SADC Secretariat, DBSA, NEPAD, the African Peer Review Mechanism, and more. The Network aims to support reformers and policy makers in the region to enhance the performance of SOEs through governance improvements, while also taking into consideration structural policy challenges and pressing development priorities.

## **Objectives**

This meeting serves as an opportunity to “re-launch” the Network and forge ahead with a number of practical and thematic priorities identified, together with partners. The meeting further aims to explore whether there is constituency to a joint effort to engage on some or all of the following work streams:

1. *Tracking progress.* Monitoring progress in SOE corporate governance reform;
2. *Good practices.* Building commonly agreed best practice guidelines on SOE governance, and/or jointly agreed reform priorities for the SADC and wider region;
3. *SOEs for development.* Developing shared positions on the usefulness, and pitfalls, of assigning SOEs roles in fostering inclusive growth and development;
4. *SOEs in infrastructure.* Developing shared positions on the role of SOEs in providing infrastructure, including their governance, implementation capacities and ability to engage in public-private partnerships.

## **Meeting Format and Participation**

This two-day meeting will be hosted by the OECD in cooperation with the DBSA. The meeting will involve approximately 50 participants. Each session will have a moderator. A director of events will be in charge of event management.

Governmental and other relevant organisations (e.g. international organisations; corporate governance institutes; civil society) are invited from the policy making community, including the owners and overseers of SOEs. Participation is also broadened to include representatives of large state-owned enterprises and, where relevant, private enterprises in the discussions

## DAY 1: 8 October 2012

8:30 – 9:00 Registration

9:00 – 9:30 Introduction and Welcoming remarks

- **Mr. Tom Scott**, Chief Economist, DBSA
- **Mr. Tshediso Matona**, Director General, Department of Public Enterprise, South Africa
- **Mr. Anders Berg**, Deputy Director General, Ministry of Trade and Industry, Norway

9:30 – 9:45 **SOE Reform in Zimbabwe: Hon. Minister Gordon Moyo**, Minister of State Enterprises and Parastatals, Zimbabwe

9:45 – 12:00 **Session 1: Overview of the current reform process**

*This session invites government delegates to explain where they currently stand with SOE reform processes. Delegates are invited to remind of the size and composition of their SOE sector, and to discuss their top three SOE governance challenges. Participants are also encouraged to discuss how national SOE reform fits within a wider regional integration process.*

*Chair: Mr. Dalmar Jama*, Corporate Governance Research Analyst, Africa Peer Review Mechanism

*Tour de table, Country updates with SOE reform:*

- **Mr. Henda Ingles**, Chairman, Instituto de Apoio ao Sector Empresarial Público, Angola
- **Mr. Kgotla Ramaphane**, CEO, Public Enterprises Evaluation and Privatisation Agency, Botswana
- **Mr. Alex N'kusu Dongala Siya**, Executive Secretary, Comité de pilotage de la réforme des entreprises du portefeuille de l'état, Democratic Republic of Congo
- **Mrs. Reitumetse Elias**, Manager Private Sector Development, Ministry of Finance, Lesotho
- **Mr. Rattan Khushiram**, Ministry of Finance and Economic Empowerment, Mauritius
- **Mrs. Odete Tsamba**, Board member, State Shares management Agency (IGEPE), Mozambique

*Q&A*

(10:45 – 11:00 Refreshment Break)

12:00 – 13:00

Lunch hosted by DBSA

13:00 – 14:30

Session 1, Continued

*Tour de table, Country updates with SOE reform:*

- **Mrs. Ingenesia Murangi**, Director, SOE Governance Council Secretariat, Namibia
- **Mr. Roland Marengo**, Senior Business Analyst, Public Enterprise Monitoring Division, Ministry of Finance, Seychelles
- **Mrs. Orcilla Ruthnam**, Department of Public Enterprise, South Africa
- **Mr. Victor Nxumalo**, Director, Public Enterprise Unit, Ministry of Finance, Swaziland
- **Mr. Eliah Mutowo**, Permanent Secretary, Ministry of State Enterprises and Parastatals, Zimbabwe

Q&A

14:30 – 14:45 Refreshment Break

14:45 – 16:30 Session 2: Forging ahead with a Southern African regional reform process

*Forging ahead with a mutually-assisted Southern African regional reform process requires a common understanding of what constitutes good practices as a basis on which to create consensus. This session will discuss a number of models of good practice; it will initiate a discussion on the development of a regional consensus and reform priorities for SOE governance based on the regional context and reality in Southern African economies.*

*Chair:* **Mr. Mumba Kapumpa**, former President, Institute of Directors, Zambia

*Discussants:*

- **Mrs. Ingenesia Murangi**, Director, SOE Governance Council Secretariat, Namibia
- **Mr. Terrence Chimanya**, Senior Manager Risk Advisory Services, PricewaterhouseCoopers, Zimbabwe
- **Mrs. Sara Sultan**, Policy Analyst, OECD Secretariat

*Roundtable discussion*

**Discussion Paper:** *Towards a regional consensus: developing good practices for SOE governance in southern Africa*  
**Reference Publications:** *Accountability and Transparency Guide* (OECD, 2010); *OECD Guidelines for the Corporate Governance of SOEs* (OECD, 2005)

16:30 – 16:45 Conclusion of Day 1: Director of Events, Mr. Dumisani Magadla, DBSA

***On-site Cocktail hosted by DBSA immediately following the meeting.***

## DAY 2: 9 October 2012

9:00 – 10:00

### Session 3: Competitive neutrality: Maintaining a level playing field between public and private businesses

*This session will consult with Network participants on the OECD's existing work in this area to generate further understanding of the relevance and applicability of competitive neutrality to meet regional economic growth and development objectives.*

**Chair:** Mr. Sonwabo Mateyisi, Director, Risk Advisory Division, Deloitte (South Africa)

**Discussants:**

- Mr. Hans Christiansen and Mrs. Sara Sultan, OECD Secretariat

*Comments and feedback*

**Reference Publication:** *Competitive Neutrality: Maintaining a level playing field between public and private businesses* (OECD, 2012)

10:00 – 10:30 Refreshment Break

10:30 – 12:00

### Session 4: SOEs in the infrastructure sector – Fostering partnerships and enhanced implementation capacity

*Infrastructure plays a key role in national/regional competitiveness, as it provides essential inputs to downstream private sector activities, is critical for regional integration, trade, and attracting FDI. Among SADC economies, SOEs play an important role in the development of infrastructure in the national and regional context. This session invites speakers to discuss the strategic role of SOEs in this sector, and in particular the role of state-owned financial institutions in terms of financing and/or underwriting infrastructure projects, the role of SOEs as players in infrastructure projects (PPP or other). In particular, current challenges in the legal and regulatory frameworks for such arrangements will be discussed.*

**Chair:** Mr. David Monyae, Policy Analyst, DBSA

**Discussants:**

- Mr. Hans Christiansen, Senior Economist, OECD Secretariat
- Mrs. Mbile Wina Vukovic, Director Legal Services and Company Secretary, Zesco, Zambia
- Mr. Mohale Rakgate, Head, Project Development and Advisory, DBSA
- Mr. Elish Mutowo, Permanent Secretary, Ministry of State Enterprises and Parastatals, Zimbabwe

*Roundtable Discussion*

**Discussion Paper:** *Participation of SOEs in infrastructure provision*

12:00 – 13:00

Lunch hosted by DBSA

**13:00 – 14:30 Session 5: What is the role for SOEs in supporting development?**

*Some SADC countries have refocused their interest on SOEs as vehicles for economic growth and social development. SOEs can be used to redress concrete obstacles to growth and may play a role in correcting market failures. However, policy makers are challenged by the need to reform existing SOEs to maximise efficiency and avoid the waste of scarce resources. This session aims for an inclusive debate on how SOEs can reasonably contribute to the development process, highlighting both the opportunities and challenges for governments.*

**Chair:** Mr. Lesego Selotat, Deputy CEO, Operations, CEDA

*Discussants:*

- **Mr. Hans Christiansen**, Senior Economist, OECD
- **Dr. Zhengjun Zhang**, Chief of Enterprise System Division, Enterprise Research Institute, Development Research Center of the State Council of China
- **Mr. Arto Honkaniemi**, Senior Financial Counsellor, Prime Minister's Office, Ownership Steering Department, Finland
- **Ms. Ayse Yigit**, Head of Department, General Directorate of SOEs, Treasury, Turkey
- **Mr. Ravindra Naidoo**, Group Executive: Development Planning, DBSA
- **Mr. Mike Muller**, National Planning Commission, South Africa

*Roundtable Discussion*

**Discussion Paper:** *State-owned enterprises in the development process*

**14:30 – 14:45 Refreshment Break**

**14:45 – 16:15 Session 6: Reviving the SOE Network for Southern Africa and the way forward**

*The SOE Network for Southern Africa aims to be a member-driven approach with the OECD Secretariat and its regional partners assisting the Network in developing tangible outputs. This session will be devoted to explaining the structure and format of the network going forward, in terms of governance, regional ownership, future meetings and defining its work programme through 2014. Delegates are invited to comment on the Secretariat's proposals and provide input to defining the work programme.*

**Chair:** Mr. Stuart Kufeni, Chief Executive Officer, SADC Development Finance Resource Centre

*Brainstorming session and roundtable discussion*

**16:15 – 16:30 Conclusions**

- **Mr. Ravindra Naidoo**, Group Executive: Development Planning, DBSA
- **Mr. Anders Berg**, Deputy Director General, Ministry of Trade and Industry, Norway
- **Mr. Mumba Kapumpa**, former President, Institute of Directors, Zambia

### About the OECD Network on Governance of State-Owned Enterprises in Southern Africa

Since 2007 the Southern African Network aims principally to serve as a platform for regional exchange of ideas and experiences. It gives participants access to the OECD's global policy resources and encourages sharing of global experiences (including on a south-south basis) which can be relevant among Southern African economies in their home country context. The purpose of the network is to:

- Raise awareness among relevant constituencies on the challenges and the benefits associated with good corporate governance of SOEs;
- Provide a platform for peer learning, allowing "SOE practitioners" from the Southern African region to learn from each other, as well as from their colleagues in other Southern Hemisphere and OECD countries;
- Evaluate the current SOE corporate governance policy frameworks and practices in participant countries, highlighting exemplars of good regional practice, through survey work and the development of SOE case studies focused on the region;
- Influence policy making by providing a forum in which policy makers, practitioners and experts can share knowledge and experience amongst themselves and with their OECD peers; and
- 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 Southern African economies.

The Network has to date been focused on countries that are also members of the Southern African Development Communities (SADC).

### About the OECD Working Party on State Ownership and Privatisation Practices (WP SOPP)

The OECD's WP SOPP brings together a wealth of expertise from government departments in OECD and partner countries charged with the ownership and oversight of SOEs. It is the custodian to the world's foremost multilaterally endorsed recommendations, the *OECD Guidelines on Corporate Governance of State-Owned Enterprises*.

### About the OECD

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and demographic challenges. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

### Network Contact Information

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#### Website

[www.oecd.org/daf/corporateaffairs/soe/africa](http://www.oecd.org/daf/corporateaffairs/soe/africa)