6th Meeting of the SOE Network for Southern Africa

Recent SOE Reforms and Monitoring Implementation of the Guidelines

- Agenda -

24-25 November 2015

Location:
Victoria Falls, Zimbabwe

Venue:
Elephant Hills Hotel

Hosted by Government of Zimbabwe, Office of the President and Cabinet, and OECD

Background on the SOE Network for Southern Africa

The SOE Network for Southern Africa provides a forum for policy makers to identify common challenges related to state-owned enterprise (SOE) ownership and governance, to share good practices and to develop recommendations for effective reform. The Network aims to help reformers and policy makers in Southern Africa enhance the performance of SOEs through governance improvements, while also taking into consideration structural policy challenges and pressing development priorities.

The Network was launched in 2007 and currently brings together representatives from across Southern Africa, including government departments responsible for the ownership and oversight of SOEs and corporate governance institutes[1]. It also benefits from the regular participation of a number of regional and international organisations.

Meeting objectives
The meeting will last 1 and 1/2 days and will cover:

1. A full day discussion covering recent SOE reforms across Southern African economies, and tracking progress in SOE corporate governance reform based on the [Guidelines on the governance of SOEs in Southern Africa](). Delegates are invited to inform the Network of recent developments regarding SOE governance, restructuring plans, divestitures, and planned or completed privatisations in national jurisdictions.

2. A half day thematic discussion on Ethics and Business Integrity in Southern Africa and a discussion of the draft *Handbook* developed for Governments as Owners and State Owned Enterprises

Format and participation

The meeting will bring together approximately 60 participants, including representatives of ministries and departments responsible for SOE management and oversight, as well as corporate governance institutes and relevant regional and international organisations. Participation will also be sought from representatives of state-owned and private enterprises.

A director of events will be in charge of event management:
- Mr. Canaan Dube, Senior Partner and Head, Dube, Manikai & Hwacha Law Offices, Zimbabwe

Suggested discussion questions/topics are annexed to this document for your convenience.

Social Events
Touring of Victoria Falls and a sunset boat cruise in the Zambezi River on the afternoon of 25 November.

Meeting documentation (click on link to access, hard copies to be provided)
➢ Ethics and Business Integrity in Southern Africa: A Handbook for Governments as Owners and State Owned Enterprises (draft document, circulated in advance)
➢ [Guidelines on the governance of SOEs in Southern Africa]()
➢ [State-owned Enterprises in Southern Africa : A Stocktaking of Reforms and Challenges]()
➢ [Stocktaking of Anti-Corruption and Business Integrity Measures for Southern African SOEs]()
➢ [OECD Guidelines on Corporate Governance of State-Owned Enterprises – 2015 edition]()
➢ [State-Owned Enterprises in the Development Process (2015)]()

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[1] Angola, Botswana, DR Congo, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

Ver.: 24 November 2015

Day 1: 24 November 2015
Annual Network Meeting
Recent SOE Reforms and Monitoring Implementation of the Guidelines

8:30 am   **Registration**

9 - 9:30 am   **Introductory Remarks**
- Mr. Justin Hugh Mupamhanga, Deputy Chief Secretary, Office of the President and Cabinet, Government of Zimbabwe
- Mr. Nigel Smith, Shareholder Executive, United Kingdom, also Vice Chair OECD Working Party

Keynote Speech by Hon. M.Bimha, Minister of Industry and Commerce (moved to Day 2)

9.30- 10.30 am   **Session 1: Contemporary Reforms and Best Practices : An overview of the Revised OECD Guidelines on Corporate Governance of State-Owned Enterprises**
- Mr. Nigel Smith, Shareholder Executive, United Kingdom, also Vice Chair OECD Working Party
- Ms. Ann Low, US Department of State, United States, also Vice Chair OECD Working Party

10.30 – 11:00 am   *Tea/Coffee Break*

11:00 – 12.30pm   **Session 2: Recent and Planned SOE reforms**
This session invites government delegates and representatives of SOEs with recent and planned SOE reforms to update the Network on these developments. Delegates are invited to remind of the size and composition of their SOE sector, and to discuss their top three SOE governance challenges; and to discuss any planned divestures and restructuring.

Moderator and Presenter: Dr. Peter Rundell, Consultant, World Bank

Speakers:
- Mr. Hezikiel Awasemeb, Deputy Director: Legal Advice, Ministry of Public Enterprises, Namibia.
- Adv Melanchton Makobe, Acting Deputy Director General: Corporate Management, Department of Public Enterprise, South Africa
- Mr. Edgar Nyoni, Executive Director, State Enterprise Restructuring Agency, Zimbabwe
- Engineer Joshua Chifamba, Group Chief Executive Officer, ZESA Holding
- Mr. Roland Marengo, Public Enterprise Monitoring Commission, Seychelles

Tour de table, Country updates with SOE reform

12.30 - 2:00 pm   *Buffet Lunch (provided)*

2.00 – 4.00pm   Session 3: Tracking progress in SOE corporate governance reform based on the Guidelines on the Governance of SOEs in Southern Africa.

Evaluate the current SOE corporate governance policy frameworks and practices in select participant countries relative to the *Guidelines on the Governance of SOEs for Southern Africa*. Countries will be asked to provide updated information on where they stand vis-a-vis implementation of the Guidelines. A number of countries will be selected to present on a thematic topics (including board practices; ownership policies; transparency and accountability, etc.)

Moderator: Ms. Tsitsi Mutasa, Zimbabwe Leadership Forum

Introductory presentation: Ms. Sara Sultan, OECD SOE Unit and Network Manager

Roundtable reporting (in alphabetical order by country):
- Mr. Ontiretse Kgarebe, Head, Performance Monitoring, PEEPA, Botswana
- Ms. Odete Tsamba, Executive Board member, IGEPE, Mozambique
- Mr. Romanus Kawana, Deputy Director: Economics and Public Governance, Ministry of Public Enterprises, Namibia
- Mr. Roland Marengo, Public Enterprise Monitoring Commission, Seychelles
- Mrs. Orcilla Ruthnam, Chief Director: Governance, Department of Public Enterprise, South Africa: Transparency & Disclosure
- Mr. Themba Motsa, Senior Finance Officer, Public Enterprise Unit, Ministry of Finance, Swaziland
- Mr. Stuart Comberbach, Permanent Secretary, Office of the President and Cabinet, Zimbabwe

4.00 - 4:30 pm   *Tea/Coffee break*

4:30 - 5.00pm   Way Forward

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

5:00 - 5:15 pm   Wrap-up Day 1
- Mr. Canaan Dube, Director of Events

Day 2: 25 November 2015
Thematic discussion: Corporate Ethics and Business Integrity

8.30 – 9.30 am	**Introduction and Overview of the draft Handbook Ethics and Business Integrity in Southern Africa: A Handbook for Governments as Owners and State Owned Enterprises**

- Introductory Remarks: Mr Edwin Mubataripi, General Manager (Prevention and Advocacy), Anti-Corruption Commission, Zimbabwe

- Presentation by the Acting Chair of the SOE Guidelines Taskforce, Mrs. Sherry Thole, President Institute of Directors

- "The Business Case" – Ms. Mary Crane Charef, OECD SOE Unit

9.30 - 10:00 am	**Keynote Speech by Hon. M.Bimha, Minister of Industry and Commerce**

10.00 - 10:15 pm	*Tea/Coffee break*

10.15-12:15 pm	**Overview of the Chapters**

This session will be devoted for the Taskforce to present each chapter of the proposed Handbook. Delegates will be asked to comment following each Chapter presentation and to consider how it can be used across jurisdictions.

- Chapter 1: The Role of Board of Directors - Presented by Ms. Orcilla Ruthnam, Chief Director: Governance, Department of Public Enterprise, South Africa
- Chapter 2: The Role of Management - Presented by Mr. Shepherd Chimutanda, Managing Partner, STC International, Chartered Accountants, Zimbabwe
- Chapter 3: The Government as Owner - Presented by Ms. Odete Tsamba, Member of the Board, IGEPE, Mozambique
- Chapter 4: The role of Non-State Actors - Presented by Ms. Tiny Diswai - Moremi, Deputy CEO, PEEPA, Botswana

Roundtable discussion following each Chapter.

12:15- 12.45	**Next Steps - Finalisation of the Handbook**

12:45 - 1 pm	**Concluding Remarks**

- Mr. Justin Hugh Mupamhanga, Deputy Chief Secretary, Office of the President and Cabinet, Government of Zimbabwe
- Ms. Ann Low, US Department of State, United States, also Vice Chair OECD Working Party
- Ms. Sara Sultan, OECD SOE Unit and Network Manager

1 pm	**Farewell Lunch (provided)**

2 - 7 pm	**Touring of Victoria falls and Sunset River Cruise on the Zambezi - Invitation by the Government of Zimbabwe** (Transport provided, departure Elephant Hills Hotel)

Suggested Discussion Topics/Questions

Day 1, 24 November: Recent SOE Reforms and Monitoring Implementation of the Guidelines

Session 1: Contemporary Reforms and Best Practices: An overview of the Revised OECD Guidelines on Corporate Governance of State-Owned Enterprises
- Although the Network has its own set of regional Guidance, to what extent are practices convergent with the OECD SOE Guidelines? To what extent are the reform trends similar across countries/regions?
- Are challenges in SOE governance practices similar across economies? To what extent may there be differences in Southern Africa, for example the role that state-owned enterprises play in the development process.

Session 2: Recent and Planned SOE reforms
- A large-scale governance reform programme necessarily involves coordination with other parts of government. Please describe how this process was coordinated?
- What do presenting countries see as most important priorities and greatest challenges for implementation of their national strategies for SOE reform and for strengthening of their effectiveness?
- What do other countries see from these experiences that are relevant or applicable to their own reform strategies?
- What are the three main areas of reform that you see as a priority going forward in the short and medium term?
- Is the move towards a more "centralized" model of ownership considered to be relevant in your jurisdiction (if not already the case)? Please describe the pros and cons.

Session 3: Tracking progress in SOE corporate governance reform based on the Guidelines on the Governance of SOEs in Southern Africa
- *Ownership policy.* Please describe whether your jurisdiction has taken steps towards developing an ownership policy intended to rationalize the state's overall ownership programme; set specific objectives for each SOE it owns; and establish a clear understanding of the state's overall objectives as an owner. Does the policy differentiate SOEs which carry out mainly public service objectives from those with mainly commercial activities? Please describe the process that went into developing such a document. Is it availably publicly?
- *National codes of governance.* Please describe any codes that may exist and their applicability to SOEs (mandatory; comply explain, etc.).; and some of the main frameworks applicable to SOEs in your jurisdiction, under the codes.
- *Boards of directors.* How have practices related to board nomination, appointment, composition, training, evaluation and other measures relevant to building effective boards changed since the last time the Network discussed these issues in 2012? Are there region-wide trends or only more isolated cases of improvements? How do these compare to practices in OECD countries?
- *Transparency and disclosure practices.* Please describe the transparency and disclosure practices by SOEs, and the ownership entity. Is annual aggregate reporting required? Is it common practice for SOEs to carry out both internal audit, and subject SOE accounts to external independent audit?
- *Financing and Investment frameworks for SOES.* What is the role of the Ministry of Finance, Budget or other oversight ministry, and how much autonomy do SOEs have to determine their own budgets and investment strategies? What sources (e.g. the state budget, development bank financing, or equity or debt financing from the market) are used to fund SOE investment? Are non-commercial public service objectives that may not be viable from an economic standpoint separately funded by the government and accounted for?

- *Equitable treatment of shareholders.* Where SOEs may be subject to broadened ownership, please describe the role of the stat as shareholder; any applicable rules that may apply to non-state shareholders.

Way Forward:
- Please share your views for how the Network can support SOE governance improvement efforts over the next year; and looking ahead to longer-term (5-10 years).
- How OECD, and other Partner institutions (the World Bank, APRM, donor institutions, NEPAD, UNECA, SADC-DFRC, etc.) support these objectives on a sustainable basis?

Day 2, 25 November: Thematic discussion on Corporate Ethics and Business Integrity

Chapter 1: The Role of Boards of Directors
- What examples can we provide of how SOE boards of directors have set "tone from the top"? What does this mean in practical terms?
- What are examples of ways in which SOEs or ownership functions have ensured that anti-corruption compliance and business integrity remain a top priority for discussion by boards? (i.e., is this a standing item on boards' agendas, is there a board code of ethics, do directors receive integrity training, etc.?)
- Do boards of Southern African SOEs face particular challenges when it comes to establishing, implementing, and supervising integrity programmes or measures?

Chapter 2: The Role of Management
- Are SOEs in your countries required or encouraged to assign specific responsibility for implementation of integrity programmes or measures? If so, how are these responsibilities assigned and to whom?
- What are some examples from your countries of effective ways for rolling out new integrity programmes or measures (such as the rollout of a code of ethics or financial accounting and reporting measures)?
- What relationship does the integrity function have with management and/or the SOE supervisory board when it comes to implementing and reporting on the effectiveness of integrity programmes or measures?

Chapter 3: The Government as Owner
- What are some practical examples of how the state ownership function can, like the SOE board of directors, set "tone from the top" to ensure there is real commitment to combating corruption and promoting business integrity?
- How is this commitment communicated to SOEs and their stakeholders, and how regularly?
- What are some practical examples of how the state ownership function can work with other government agencies—including those charged with enforcing the anti-corruption legal and regulatory framework—to ensure SOEs are held to the highest standards of business integrity?

Chapter 4: The Role of Non-State Actors
- What role can civil society and business associations play in supporting SOEs' and governments' efforts to combat corruption and promote integrity?
- Are there practical examples from your countries of cooperation between the SOE sector and non-state actors to develop and implement SOE integrity programmes or measures?
- What private sector practices for combating corruption and promoting integrity would not be applicable to the SOE sector?