



DRAFT AGENDA

Global Knowledge Sharing Network on Corporate Governance of State-owned Enterprises

7-8 June, 2016

*Antiguo Palacio del Arzobispado / Museo de la SHCP
Mexico City, Mexico*

In collaboration with:  **CAF** BANCO DE DESARROLLO DE AMÉRICA LATINA  **WORLD BANK GROUP**

With the support of the Ministry of Strategy and Finance of Korea:



The Global Knowledge Sharing Network on Corporate Governance of State-owned Enterprises

Governments in both mature and emerging economies are important owners of commercial enterprises and corporatised assets. These state-owned enterprises (SOEs) often supply fundamental services such as water, electricity and transportation that private companies depend upon for their competitiveness, and on which the citizens depend for their quality of life. Ensuring that governments efficiently manage these assets is therefore crucial for the competitiveness of the broader enterprise sector, economic growth and sustainable development more generally. In many cases, poor corporate governance of SOEs has had negative consequences on countries' economic development.

Many countries have taken steps to develop and improve the governance of their SOEs and equivalent public institutions in order to maximise their contributions to growth and development. Indeed, it is important that SOEs have well defined objectives, professional and independent boards of directors, and clear lines of accountability for their performance. More attention needs also to be given to the fact that SOEs can be particularly at risk for corruption due to their proximity to the state and the fact that they often operate in sectors with high corruption risk. The close relationship between the state and SOEs can also influence the transparency of public financial flows, and the complexity of the accountability chain could also increase opportunities for corruption in SOEs. Also the close relationship between SOEs and other state-owned entities such as banks or financial institutions – who are suppliers or clients of the SOEs – increases the risk of irregular practices.

The OECD has extensive experience in advising governments, through an inclusive ongoing dialogue, on how to ensure that SOEs operate efficiently, transparently and in an accountable manner. In 2015, the OECD revised the [*OECD Guidelines on Corporate Governance of State-Owned Enterprises*](#) ("*SOE Guidelines*"), which have served as a global benchmark for countries introducing governance reforms in the state-owned sector since their inception in 2005. A large number of emerging economies participated in the revision process and made significant contributions.

In this context, this first meeting of the Global Knowledge Sharing Network on Corporate Governance of State-owned Enterprises will support ongoing efforts to help governments identify priorities for SOE reform and implementation through the process of knowledge sharing. The Network may be seen as a continuation of the [*OECD Global Network on Privatisation and Corporate Governance of State-Owned Enterprises*](#) which was created in 2008 in the context of the OECD's work to provide a structured environment for initiatives to support improvements in the governance of SOEs.

Bringing together the already existing OECD regional, peer-learning networks active in Latin America, Asia, the Middle East and North Africa and Southern Africa, it builds on key pillars of the SOE Guidelines to maximise SOEs' contributions to sustainable development such as organising the ownership function; preventing corruption; improving boards practices and establishing comprehensive transparency and disclosure measures.

Its objectives are to raise awareness of governments on the importance and challenges related to the better corporate governance of SOEs; evaluate current SOE corporate governance policy frameworks and practices, and benchmark these against international good practice as described in the SOE Guidelines; influence policy-making by providing a forum in which policy makers, practitioners and experts from all over the world can share knowledge and experience among themselves and with their OECD peers; and support effective reforms in the area of SOE corporate governance, by discussing policy options, developing relevant recommendations and agreeing on priorities for reforms adapted to the conditions in emerging economies.

This year's meeting will be hosted by the Ministry of Finance and Public Credit of Mexico and the OECD relaunch of the Network is made possible with support from the Ministry of Strategy and Finance of Korea.

The first day will involve representatives of governments, SOEs and relevant experts to consider experience on SOE governance reforms from a range of perspectives. The second day will be for representatives of government ministries and ownership entities only to encourage an exchange on SOE governance reforms and discuss specific steps that the governments can take as owners of SOEs.

Simultaneous interpretation will be provided between Spanish and English.

DAY 1	Tuesday, 7 June 2016 - Governments, State-Owned Enterprises and Experts
9:15-10:00	Registration
10:00-10:30	Welcoming remarks
10:30-11:30	<p>Session 1: Recent reform efforts : An overview of the revised <i>OECD Guidelines on the Corporate Governance of State-Owned Enterprises</i></p> <p>The <i>OECD Guidelines on Corporate Governance of State-Owned Enterprises</i> 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. This session will present the new <i>SOE Guidelines</i> and how they are being applied in practice.</p>
11:30-12:00	Coffee/Tea
12:00-13:30	<p>Session 2: Organising the state ownership function</p> <p>Organising the ownership of SOEs creates unique challenges for policy makers. Key challenges include obtaining a high degree of professionalism and ensuring that ownership is conducted at arm's-length from other government functions such as regulation. Moreover, the public needs assurance that the ownership rights are exercised in the public interest and not for the benefit of public officials or political constituencies. This session aims at discussing <i>recent exemplary SOE governance reforms in Latin American and (other) emerging economies</i> notably related to state ownership models.</p>
13:30-15:00	Lunch
15:00-16:30	<p>Session 3: National practices for performance evaluation and management in comparative perspective : Asia and Latin America</p> <p>Highlighting SOEs' performance and the performance of the state as an owner not only creates incentives to better perform for all SOE officials and civil servants involved, but it also strengthens public demand for further reforms. Performance evaluation practices differ globally depending in part on SOEs' degree of corporatisation, their commercial (or public policy) orientation and their proximity to the public administration. This session will present key findings of the new OECD report on best examples for performance evaluation and management of SOEs in Asia and discuss lessons for developing good practices towards performance evaluation and monitoring within the SOE sectors of Latin America and (other) emerging economies. It will also feature experiences with selecting SOEs for corporatisation as a means of improving their performance.</p>
16:30-16:40	Short break (Coffee/Tea)
16:40- 18:10	<p>Session 4: Evolving global consensus on the regulatory framework for ensuring business integrity and preventing corruption in SOEs</p> <p>Minimising and preventing corruption of SOEs by realising synergies at different levels of governance is central to achieving their economic efficiency. This session will discuss the growing importance of improving corporate governance in SOEs to prevent corruption and stocktake relevant reform efforts on ensuring consistency between the different levels of</p>

governance to prevent corruption and achieve business integrity in SOEs. The discussion will build on the results of the new OECD survey on stocktaking of anti-corruption and business integrity measures for Southern African SOEs and its policy implications for developing relevant policies in other emerging countries.

DAY 2

Wednesday, 8 June 2016 - Government Ownership Entities / Ministries

8:15-9:00

Registration

9:00-9:20

Welcoming remarks

9:20-11:00

Session 1: Developing and implementing an SOE disclosure and transparency policy

Improving transparency and accountability is a key priority to improve the corporate governance and performance of SOEs. It gives substance to shareholder and stakeholder rights by providing the information essential to their activities and is a prerequisite to and underpins public trust. This session will discuss government's key challenges and efforts in developing a coherent disclosure policy and how to ensure a policy framework that encourages disclosers to promote improved transparency.

11:00-11:30

Coffee/Tea

11:30-13:00

Session 2: Selecting SOEs for reform and ensuring success of the process

In this session, governments that have a recent history of implementing corporate governance reform in SOEs are encouraged to share their experiences. Of special interest are details about the basis of criteria on which they selected SOEs as candidates for reform and the reform processes that they undertook.

13:00-14:30

Session 3: Best practices on nomination, election and performance of board members

As stated in the OECD Guidelines, it is important when individual board members carry out their duties that they do not act as representatives for different constituencies. Board autonomy and professionalism requires that all board members carry out their duties in an even-handed manner with respect to all shareholders. In this context, this session will discuss best practices on selecting, appointing and evaluating board members worldwide.

14:30-16:00

Lunch

16:00-17:30

Session 4: Best practices on the implementation of high standards of business integrity in SOEs

This session aims at discussing applicability of the *OECD SOE Guidelines* and sharing best practices regarding implementation of high standards of business integrity in SOEs. It will present tangible examples of the benefits of incorporating business integrity into SOEs including improved performance of SOEs.

17:30-18:00

Concluding remarks and way forward
