Note to the Reader

by

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Governments face complex challenges in improving the governance of state-owned enterprises. Having worked for the Swedish government handling state ownership for more than 15 years, I have firsthand experience as a practitioner on how the governments struggle to improve the governance of SOEs. One of the main challenges in doing so is to put in place appropriate accountability and transparency processes. It is only with such systems that the state as an owner will be able to act as an informed owner, without interfering in day-to-day management, two essential recommendations of the OECD Guidelines. The Swedish government, having been an advocate of reforms, has been able to appreciate how useful it is to put lights on the performance of SOEs and on how the state exercises its ownership function. Greater transparency is usually very effective in triggering further support for reforms.

After having driven the development and successful adoption of the OECD Guidelines, the Working Group has been positively surprised by the keen interest they received and by how much demand was raised to discuss and implement them in different economic, legal and political contexts. To face such a strong demand, we decided to develop some guidance on how to implement the Guidelines. The first topic which we thought would be the most relevant was transparency and disclosure… hence this Guide. What I think will be particularly useful for governments in this Guide are the policy options described in a very organised and systematic way, as well as specific examples provided to illustrate the more generic recommendations.

To develop this Guide, all members of the OECD *Working Group on Privatisation and Corporate Governance of State-Owned Assets* provided us with their country experience, sharing their successes as well as their difficulties. Their dedicated and collective expertise made this project a success. Appreciation should be given in particular to the group's bureau members, who have served as an active sounding board for successive drafts of this document, namely Mr. Morten Kallevig, Mr. Pekka Timonen, Mr. Arto Honkaniemi, Ms. Lucie Muniesa, Mr. Aimilios Stasinakis, Mr. Kyung-Ho Choo and Mr. Petr Musil.

The OECD's advisory bodies, the Business and Industry Advisory Committee (BIAC) and the Trade Union Advisory Committee (TUAC) participated in the process and provided invaluable inputs. The Global Corporate Governance Forum and the World Bank have also made essential contributions to this work, and our joint projects in non-OECD regions, including Asia and Africa, have allowed us to fine tune our thoughts with regards to how to implement the OECD Guidelines in often weaker institutional environments. In this regard, I would like to give special thanks to all officials, experts and practitioners from around the world who participated in our consultation within the framework of the OECD Global Network in Paris in March 2008. Among these, Mr. John Lim, Chair of the Asia SOE Network, deserves a special appreciation for leading our work in Asia. But all other participants (see list in Annex B) provided us with relevant comments and useful suggestions on how to improve the Guide and make it fully relevant for governments around the globe. In addition, the work has benefited from comments and inputs from experts from the African Development Bank, the Asia Development Bank and the INTOSAI (International Organisation of State Audit Institutions)'s Working Group on Privatisation.

A final thank to Ms. Mathilde Mesnard, Economist in the Corporate Affairs Division, who has served the Working Group since the development of the OECD Guidelines and developed the various drafts of this Guide under the supervision of Mr. Mats Isaksson, Head of Division.

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