



**2<sup>nd</sup> Meeting of the  
OECD Global Network on Privatisation and Corporate  
Governance of State-Owned Enterprises**

**2-3 March 2010**

OECD Headquarters,  
Paris, France

**DRAFT AGENDA**

**Supported by  
The Government of Japan**

## **Background on the Global Network**

Around the world, governments are important owners of commercial enterprises and assets. How well the government manages these assets will have a great impact on the substantial values these enterprises represent and thus on a country's public finances. Better performance of these enterprises is a positive factor for economic growth and competitiveness. In addition, state-owned enterprises (SOEs) often supply fundamental services such as water, electricity and transportation that private companies and all citizens depend upon for their competitiveness and welfare.

Many governments are therefore trying to improve the governance of their SOEs. There is a growing interest to improve value creation and not destroy often important investments made by SOEs. In addition to this, pressure comes from consumers who demand better services at lower cost, and from private sector companies that require a level playing field when they compete with SOEs.

But while the benefits are obvious, there is still uncertainty about how to formulate and implement effective ownership policies. Experiences and awareness of state corporate governance practices are still evolving, and governments are also uncertain of how to make the best possible use of the opportunities for privatisation that have emerged with internationalisation, market de-regulation and technological change. Also, the internationalisation of SOEs themselves raises important issues in relation to cross-border investments and disclosure practices.

Against this background, the OECD has been actively involved in promoting an international dialogue on privatisation and corporate governance of SOEs. As part of that work, OECD issued the *Guidelines on Corporate Governance of State-Owned Enterprises* in 2005, which now serve as a global benchmark for countries introducing governance reforms in the state-owned sector. A large number of non-OECD economies have also participated in this work and made important contributions. The OECD Working Group on Privatisation and Corporate Governance of State Owned Assets considers such co-operation important in shaping the direction and content of its future work.

For this purpose, the Global Network, involving participants from both OECD countries and non-members, was established to provide a structured dialogue on OECD's initiatives to support improvements in the governance of SOEs and, for cases in which governments decide to privatise, provide support to ensure that it is done effectively. Accordingly, the Global Network's first meeting took place in Paris in March 2008, with participation from state ownership agencies and other SOE governance experts from more than 40 countries. The meeting provided a forum for exchanging recent reform experiences, with particular emphasis on transparency issues that supported the finalisation of the OECD's "Accountability and Transparency : A Guide for State Ownership."

### **Focus of the Network's 2010 meeting**

Based on previous discussions of the Global Network, two Governance Reform topics are suggested for the Global Network's second meeting: (1) SOE board nomination, functioning and evaluation; and (2) establishing, organising and reforming national SOE ownership entities. Accordingly, the meeting agenda is developed to encourage active participation and open discussions on these two main subjects through a combination of plenary and break-out sessions.

The 2010 Global Network is expected to produce a progress report on SOE governance reforms based on the meeting's discussions and participating country questionnaire responses. A first draft of this report will be presented ahead of the meeting. Potential outputs of the meeting will be a comparative review of the ownership models of different countries, including experiences from recent efforts at redesign or reform, and a comparative review of existing SOE board practices as well as recent efforts to reform them.

## PRELIMINARY AGENDA

| <b>Day 1</b>            |   |
|-------------------------|---|
| <b>9.30</b>             | <p><b>Welcoming Remarks</b></p> <p><i>Richard A. Boucher, Deputy Secretary-General, OECD</i></p> <p><i>Pekka Timonen, Chair of the Working Group on Privatisation and Corporate Governance of State Owned Assets</i></p>  |
| <b>9.45 to 11.00</b>    | <p style="text-align: center;"><b><i>Current Priorities in SOE reforms</i></b></p> <p>This session will discuss current priorities for SOE reform on the basis of experiences in the regional initiatives in Asia, Africa and MENA.</p> <p style="text-align: center;">Priorities for SOE governance reforms in Asia,<br/><i>John Lim, Chair of the Asia SOE Network</i></p> <p style="text-align: center;">Priorities for SOE governance reforms in Southern Africa,<br/><i>Daniel G. Tembe, Executive Chairman, IGEPE, Mozambique</i></p> <p style="text-align: center;">Priorities for SOE governance reforms in MENA<br/><i>Nick Nadal, Director, Hawkamah Institute of Corporate Governance</i></p> <p style="text-align: center;"><i>Discussion will be introduced and chaired by Pekka Timonen, Chair of the Working Group on Privatisation and Corporate Governance of State-Owned Assets</i></p>   |
| <b>Coffee/Tea Break</b> |   |
| <b>11.30 to 13.00</b>   | <p style="text-align: center;"><b><i>Hot topics and key initiatives in SOE Reforms</i></b></p> <p>Three countries will briefly present some high-profile initiatives in reforming their SOEs. This will allow countries active in pursuing reforms to showcase their progress and solicit advice on how to overcome remaining difficulties.</p> <p style="text-align: center;">Building up a pool of SOE directors<br/><i>Kulit Sombatsiri, Deputy Director General, State Enterprise Policy Office, Government of Thailand</i></p> <p style="text-align: center;">Developing an SOE Corporate Governance Code,<br/><i>Ashraf Gamal El Din, Executive Director, Egyptian Institute of Directors</i></p> <p style="text-align: center;">Namibia's New SOE Law<br/><i>Ingenesia Murangi, SOE Governance Council, Namibia</i></p> <p style="text-align: center;"><i>Discussion will be introduced and chaired by Grant Kirkpatrick, Head of Division, Corporate Affairs Division, OECD</i></p> |
| <b>Lunch Break</b>      |   |

**14.30 to 16.30**

***Advancing on reform priorities: state ownership functions and SOE boards***

Plenary discussion based on a comparative, concise and focused review of existing practices developed by the Secretariat and circulated before the meeting.

*Hans Christiansen, Senior Economist, OECD*

*Bariş Dinçer, Global Network Manager, OECD*

*Michael Penfold, Associate Director, Andean Development Corporation*

*Farooq Sobhan, President of Bangladesh Enterprise Institute*

*Yahya Hakim, Former Advisor to the President, Lebanon*

*Discussion will be introduced and chaired by Morten M. Kallevig, Deputy Director General, Department of Ownership, Norway*

| <b>Day 2</b>  |   |                |                |   |
|---|---|----------------|----------------|---|
| <b>9.00 to 10.30</b>  | <b>Discussion of main issues in break-out sessions: the state ownership function</b>  |                |                |   |
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| <b>11.00 to 12.30</b>   | <b>Discussion of main issues in break-out sessions: SOE boards</b>  |                |                |   |
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|                       |   |
|-----------------------|---|
| <b>14.00 to 15.30</b> | <p style="text-align: center;"><b><i>Organising the ownership function and securing efficient SOE boards: summarising the reform experiences</i></b></p> <p>This session will allow the chairs of break-out sessions to report back to the Network. Participants will briefly discuss the main recommendations, which will be laid down in a Policy Brief to be agreed among participants by written procedure following the meeting.</p> <p><i>The session will be co-chaired by Pekka Timonen and John Lim.</i></p> |
| <b>15.30 to 16.00</b> | <p style="text-align: center;"><b><i>Concluding session and priorities for reform</i></b></p> <p>The co-chairs will propose joint conclusions and suggest priority areas for further SOE governance reform. These recommendations will form a basis for picking topics for future Global Networks.</p>  |