

Sixth Meeting of the Latin American Network on Corporate Governance of State-Owned Enterprises

Board performance and integrity of state-owned
enterprises

Hotel El Olivar, Pancho Fierro 194, San Isidro, Lima, Peru
27-28 June, 2019,

DRAFT AGENDA

Hosted by



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Background and Objectives of the Latin American Network on Corporate Governance of State-Owned Enterprises

The OECD and CAF - Latin American Development Bank - are co-organizing this sixth meeting of the [Latin American Network on Corporate Governance of State-Owned Enterprises](#) (the “Network”) with the support of the Spanish Government and the UK Prosperity Fund. The Peruvian National Financing Fund of State Managerial Activity (FONAFE) will serve as the host of this year's meeting, which will focus particularly on the themes of **board performance and integrity of SOEs**. A plenary session involving SOE representatives from Peru is foreseen during the first half-day of the meeting.

The objective of the Network is to enhance SOE governance in Latin America through an ongoing exchange of experience and knowledge on SOE governance policies, practices and reforms, using the [OECD Guidelines on Corporate Governance of State-Owned Enterprises](#) (“SOE Guidelines”) as well as for the first time this year, the Guidelines on Anti-Corruption and Integrity in SOEs (“ACI Guidelines”) as the main conceptual framework for discussion. CAF’s Guidelines for Good Corporate Governance of SOEs provide an additional useful reference adapted to the Latin American context. The Network provides a forum to leverage the experience of a range of governments and other institutions to share knowledge on policy, institutional frameworks and best practices to support corporate governance improvements in SOEs across the region.

The Network builds upon a well-established record of collaborating with like-minded institutions, working with policy-makers and other relevant officials concerned with SOE governance throughout the world to support governance reform. Jointly with key regional and global players, the OECD and its Working Party on State Ownership and Privatisation Practices has established regional networks in Asia, the Middle East and North Africa, Russia and Southern Africa, which provide a platform for a structured exchange of reform experiences in key areas for good SOE governance. The more specific objectives of the Latin American Network are to:

- raise awareness of all concerned constituencies on the importance and challenges related to the good corporate governance of SOEs;
- evaluate current SOE corporate governance policy frameworks and practices, and benchmark these against international best practices as described in the Guidelines;
- influence policy making by providing a forum in which policy makers, practitioners and experts can share knowledge and experience among peers;
- support viable and effective reforms, by discussing and analysing policy options, developing relevant recommendations and agreeing on priorities for reforms.

The **Network** meets regularly in a different Latin American country as a high-level regional hub for a structured policy dialogue on corporate governance of SOEs.

Guidance for chairs, moderators, speakers and participants

Moderators are invited to encourage open discussion among all participants, to maintain the focus on the theme of their session and to be strict in managing time. The objective is to stimulate reflection and encourage an active exchange of views and experience on the discussed issues among all participants. **Speakers** are reminded that their presentations should be no longer than 10 minutes and should be designed to help frame the discussion. Please limit the use of slides to a maximum of 5 slides, which should be provided to the OECD in advance, so they can be made available on-line.

Simultaneous interpretation will be provided between Spanish and English.

DAY 1	27 June 2019
8:15 - 9:00	<i>Registration/Coffee</i>
9:00 - 9:30	<p>Welcoming remarks</p> <ul style="list-style-type: none"> • Carlos Oliva, Minister of Economy, Peru • Roberto Sala Rey, Chief Executive Officer (CEO) of FONAFE, Peru • Manuel Malaret, Representative Director of CAF in Peru • Lars Erik Fredriksson, Chair of the OECD Working Party on State Ownership and Privatisation Practices, Sweden
9:30 – 10:15	<p>Session 1: Towards the implementation of the new OECD Guidelines on Anti-Corruption and Integrity in SOEs</p> <p><i>Moderator: Sebastián López-Azumendi</i>, Principal Regulatory Quality Specialist, CAF - Latin American Development Bank</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • Daniel Blume, OECD Senior Policy Analyst • Juan Munguira, Legal Counsellor at CNMV and Bureau Member of the OECD Working Party on State Ownership and Privatisation Practices, Spain <p><i>Commentator:</i></p> <ul style="list-style-type: none"> • Jimena Viveros, Head of International Investigation and Cooperation, Federal Prosecutor's Office of Tax and Finance Crime, Mexico <p><i>Summary</i></p> <p>The importance of developing effective frameworks for the prevention of corruption and fostering of integrity in SOEs has garnered increased attention in Latin America and in recent OECD publications and work – including through the adoption of the <i>OECD Guidelines on Anti-Corruption and Integrity of SOEs</i> (“ACI Guidelines”) and the publication of the OECD - Latin America and the Caribbean Action Plan on Integrity and Anti-Corruption adopted at the third high-level meeting of the OECD-Latin America and the Caribbean Regional Programme on Integrity and Good Governance held in Lima in October 2018. Both documents provide key tools and recommendations for ensuring strong anti-corruption and integrity frameworks in SOEs, and will continue informing future work of the Network.</p>
10:15 – 11:15	<p>Session 2: Best practices and lessons learned from the implementation of national and regional SOE Guidelines</p> <p><i>Moderator: Amalia Cordero Martínez</i>, Office of the Secretary General of the Treasury and International Financing, Spain</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • Andrés Oneto, Principal Officer – Direction of Analysis and Technical Evaluation, CAF • Roberto Sala Rey, CEO of FONAFE, Peru

- **Gustavo Bouzon**, Audit Manager of Public Energy and Oil Companies, Office of the Comptroller-General (CGU), Brazil

Summary

Several countries in the region have issued their own national SOE guidelines in recent years, some of which have specific components related to SOE integrity. This is the case for FONAFE's Transparency Guidelines and Brazil's Office of the Comptroller-General (CGU) Compliance Guidelines, which have been designed to assist SOEs in developing or improving their compliance and integrity programmes. These country initiatives and their implementation will be presented during this session, which will also feature a presentation of CAF's revised *Guidelines for Good Corporate Governance of SOEs* focusing on new sections referring to control frameworks and recommendations relating to the strengthening of SOE boards.

11:15 – 11:45 *Coffee Break*

11:45 – 12:45 **Session 3: Recent developments and reforms of SOEs in Latin America**

Moderator: **Pedro Luis Rodriguez**, Program Leader Equity, Finance & Institutions, World Bank, Peru

speakers:

- **Fernando Sánchez**, President of the Committee on the Good Governance of SOEs and Secretary of Institutional Strengthening, Office of the Cabinet of Ministers, Ministry of the Presidency, Argentina
- **Carlos Elizondo Vargas**, Chief of the Advisory Unit on State Ownership, Ministry of the Presidency, Costa Rica
- **Santiago Soto**, Sub-director of the Planning and Budget Office, Uruguay

Summary

This session will include presentations from Argentina, Costa Rica and Ecuador, which have developed ambitious SOE governance reform plans.

12:45 – 14:30 *Lunch Break*

14:30 - 16:00 **Session 4: Roles and responsibilities of the board of directors in ensuring SOE performance and integrity**

Moderator: **Marta Vaca**, Corporate Sustainability Director at Delphi, Mexico

Speakers:

- **Danilo Gregorio**, Advocacy Advisor, Institute of Brazilian Corporate Governance (IBGC), Brazil
- **Lars Erik Fredriksson**, Chairman, OECD Working Party on State Ownership and Privatisation, Sweden
- **Danilo Montero Rodríguez**, Training Programme Instructor, Costa Rican Corporate Governance Institute; and **Elían Villegas Valverde**, CEO of the National Insurance Institute (Instituto Nacional de Seguros – INS), Costa Rica

Summary

The OECD SOE Guidelines and ACI Guidelines both highlight the important role that boards play in promoting integrity and ensuring performance in SOEs. This session will explore the many ways in which boards can be empowered to exercise their role and responsibilities, notably through the use of specific training on board duties to act with independent judgement in the interest of the company, on skills required to ensure that internal control systems are effective, compliance with measures necessary to address potential conflicts of interest, and guidelines or programmes to support ethical conduct and integrity.

16:00 – 16:30 *Coffee Break*

16:30 - 18:00 **Session 5: Board composition and nomination practices to support objective and independent judgement**

Moderator: **Santiago Chaher**, Cefeidas Consulting, Argentina

Speakers:

- **Alex Reeves**, Executive Director, United Kingdom Government Investments (UKGI), United Kingdom
- **Julio Silva**, Deputy Secretary, Secretariat of Coordination and Governance of State-Owned Enterprises (SEST), Brazil
- **Carolina Pesántez**, General Manager of the Coordination Enterprise for State Owned Enterprises, Ecuador

Summary

The board composition and nomination/selection practices in SOEs are important aspects for ensuring that SOE boards exercise their responsibilities in a professional and independent manner. This session will provide examples of relevant board nomination and composition criteria and practices, focusing on issues such as how to ensure that they have the necessary and complementary skills and experience, and how issues of “independence” are addressed (including discussions on the scope and definition of “independence”), amongst other aspects.

18:30 – 22:00 *Cocktail*

DAY 2

28 June, 2019

9:00 - 10:30 **Session 6: Case studies on SOEs**

Moderator: **Georgina Nuñez**, Economic Affairs Officer, Economic Commission for Latin America and the Caribbean – ECLAC

Speakers:

- **Rafael Mendes Gomes**, Chief Governance and Compliance Officer, Petrobras, Brazil

- **Juana Beltrán**, Senior Counsellor, Financiera de Desarrollo Nacional (FDN), Colombia
- **Alex Zimmermann**, Chief Executive Officer, COFIDE, Peru
- **Bruno Finiello**, Chief Supply Chain Officer, Aerolíneas Argentinas

Summary

This session will feature case studies of SOEs having shown good corporate governance practices and/or having improved their practices over time (e.g. by improving boards functioning, adopting integrity practices, reducing risks etc.).

10:30 - 10:45 **Coffee break**

10:45 - 12:15 **Session 7: External and Internal auditors' role in fostering integrity and ensuring performance of SOEs**

Moderator: **Sebastian López Azumendi**, CAF - Latin American Development Bank

Speakers:

- **Alison McMeekin**, Policy Analyst, OECD
- **Marta Eugenia Acosta Zuñiga**, General Comptroller of the Republic, Costa Rica
- **María Oneto**, Deputy General Internal Controller, Sindicatura General de la Nación (SIGEN), Argentina
- **Richard Frederick**, consultant, Spain

Summary

This session aims to develop a clearer understanding of different approaches in Latin America to carrying out external and internal audit functions, with reference to recommendations of the OECD SOE Guidelines and ACI Guidelines advocating the use of external auditors to review SOE accounts, and a complementary role to be played by state audit institutions. This is particularly relevant in the Latin American context, given the strong role that governmental institutions play in undertaking internal and external audit functions in many Latin American countries' SOE frameworks.

12:15 - 13:00 **Conclusions and Next Steps**

Moderators: **Andrés Oneto**, CAF and **Daniel Blume**, OECD

Summary

This session will be devoted to obtaining Network participant feedback on a draft scoping paper that will set out options for possible future work of the Network, including a proposed survey to support implementation of the new OECD Anti-Corruption and Integrity Guidelines for SOEs; and to discussing overall conclusions and priorities for follow-up.
