

iSOEF

Integrated State-Owned Enterprises Framework

May 28-29, 2024, Flemings Hotel Wien-Stadthalle, Vienna, Austria

Responding to New Requirements and Challenges in Corporate Financial and Sustainability Reporting

CFRR 
Centre for Financial
Reporting Reform



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SOE Critical for World Bank Development Agenda

World Bank Group Goals

→ Eradicate Extreme Poverty & Boost Shared Prosperity
→ On a Livable Planet



SOE-related Development Outcomes



Improve SOE service delivery and accountability to citizens and local businesses



Enhance financial and fiscal sustainability



Ensure market functioning and competitive neutrality so the private sector can develop



Improve SOE governance to boost operational efficiency



Key SOE Policy Issues need an integrated & Multi-PG Approach

- *SOEs & Markets.*
- *Debt, Fiscal & Distributional Impacts.*
- *Corporate Governance.*
- *SOFIs.*

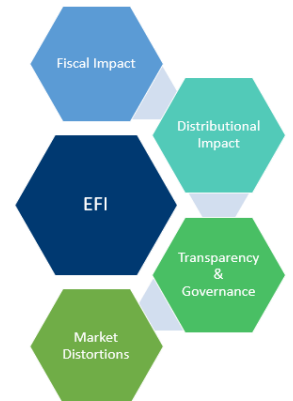
Water (SD & AGR)

Power (INFR)

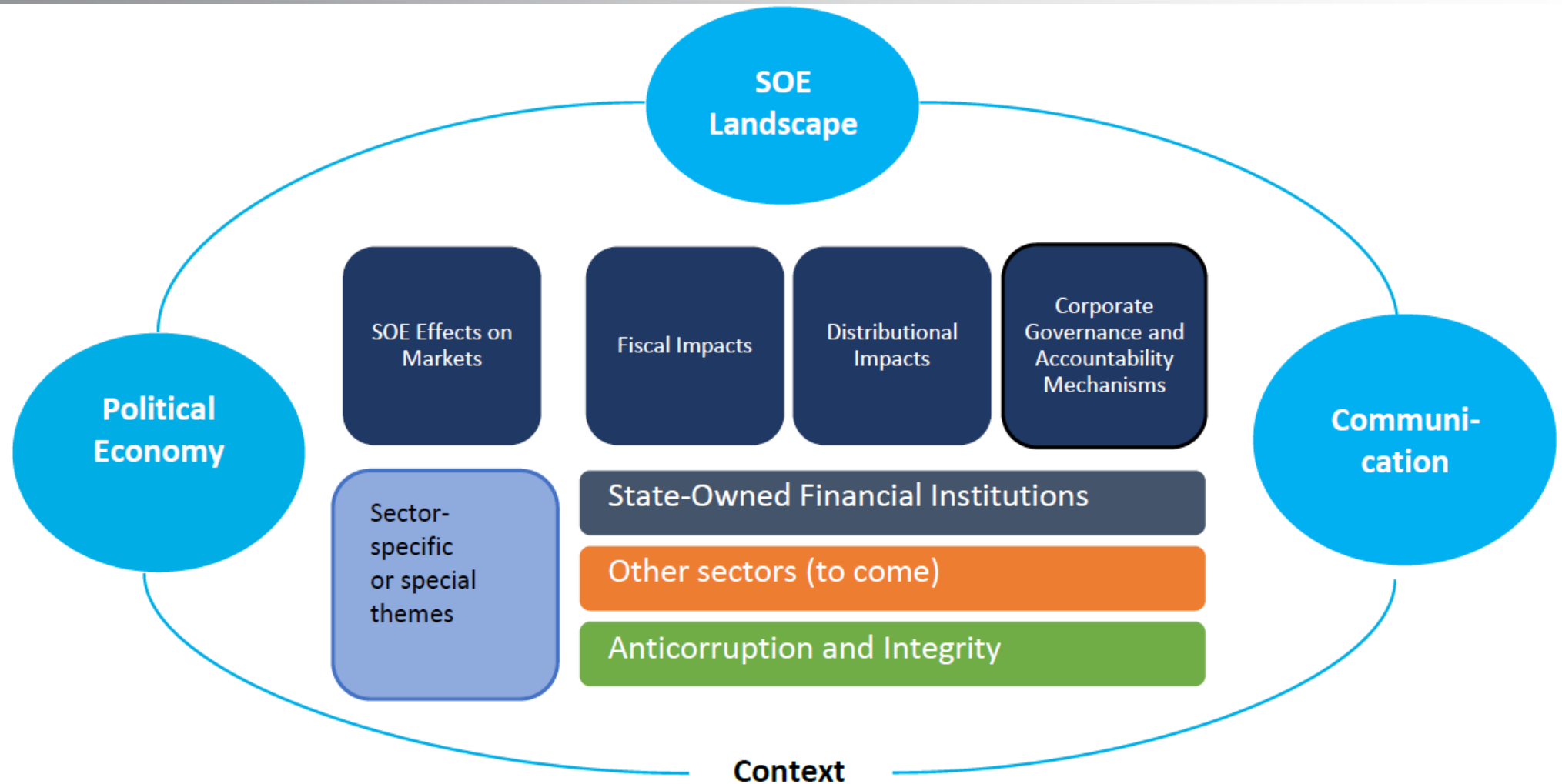
Transport (INFR)

Telecoms (INFR)

State-Owned Financial Institutions (EFI)



WHAT does the Integrated SOE Framework (iSOEF) try to assess?





Recent example of what iSOEf covers...

Analysis

Landscape and Performance of the SOE sector

SOEs Effects on Markets (iSOEf Module 1)

Fiscal Impact (iSOEf Module 2)

Distributional Impacts (iSOEf Module 3)

Corporate Governance and Accountability Mechanisms(iSOEf Module 4)

Strategic communication (Thematic Module)

Policy recommendations

How to: minimize market distortions triggered by SOE presence and free up space for private sector development

How to: mitigate fiscal risks of SOEs

Identify: potential social and distributional impacts of SOE reform and privatization

How to: improve corporate government and accountability mechanisms

Corporate Governance & Accountability Mechanisms

Legal and Regulatory Framework	State Ownership Function	Performance Management	Boards of Directors	Financial Accountability, Controls & Transparency	Procurement
<ul style="list-style-type: none"> • Overall coherence • Adequacy of SOE legal forms • Exemptions from laws 	<ul style="list-style-type: none"> • Ownership model • Capacity and powers • Aggregate reporting 	<ul style="list-style-type: none"> • Role & objectives • Performance contracts • Mandates/KPIs 	<ul style="list-style-type: none"> • Structure and composition • Nomination & appointment • Autonomy & efficiency 	<ul style="list-style-type: none"> • Financial & non-financial reporting • External audit • Internal controls 	<ul style="list-style-type: none"> • Public procurement framework • Rationale for & effect of rules • Manuals & standards