



Seminar on STATE-OWNED ENTERPRISE AND PUBLIC SECTOR MANAGEMENT REFORMS

Monday, 26 September 2016, Multi-function Hall 1, ADB HQ

Background

In many countries, state-owned enterprises (SOEs) are the main providers of essential services such as electricity, water supply, and public transport. However, they can be a drain on public resources, with governments forced to inject capital or provide guarantees, including to monopoly SOEs that deliver services often at high costs but with low service standards.¹ Reforming SOEs can lead to increased efficiencies, better returns on capital and reduced costs; in turn, improving service delivery and producing better outcomes for the economy.

SOEs are a significant drain on Pacific island economies, with the returns from most countries' SOE portfolios not even meeting their capital costs. Pacific countries have been working on SOE and public sector management reforms for many years, with the support of ADB and other partner agencies. ADB's Private Sector Development Initiative (PSDI)² and Pacific Economic Management Program are among the key vehicles where expert advisors are helping facilitate implementation of often very difficult reforms. Over the years, the work has gathered a wealth of cross country insights and in-depth country cases on reform experiences and practices. These are used to inform and influence new leaders and policy-makers to continue and sustain the reforms throughout the region. Since 2014, PSDI has expanded its benchmarking of Pacific SOEs with those outside of the region (Cape Verde, Jamaica, Mauritius), and most recently New Zealand and Singapore.

Given the relevance of the Pacific SOE reform experience to other regions of Asia, the Governance Thematic Group is jointly organizing this seminar with PSDI to discuss the findings from a decade of SOE reform in the Pacific. Honorable Richard Prebble, CBE, New Zealand's first Minister of State Owned Enterprises, who led one of the most comprehensive SOE reform programs ever undertaken anywhere in the world, will talk about the experiences of New Zealand and neighbouring Pacific countries.

Objective

The primary objective of the seminar is to present the key lessons from the SOE benchmarking studies and reform work undertaken by PSDI and PARD, and discuss their relevance and application to the broader work on SOE reforms being undertaken in other parts of Asia by ADB.

This seminar attempts to answer three key questions:

1. Have ADB's approach to supporting reforms in the Pacific and use of the program loan modality and technical assistance been effective?
2. Will ADB's approach to SOE reforms in the Pacific region also be applicable to other regions?
3. How can ADB help in improving the sustainability of SOE reforms?

Target audience

The target participants are sector specialists and senior mission leaders in regional departments of ADB (including from the Public Management, Financial Sector, and Trade Divisions) as well as the Strategy and Policy Department; Government officials from selected DMCs (Myanmar, Indonesia, Philippines, and Vietnam) that manage state-owned enterprises; ADB staff members that are members of the Governance Thematic Group; as well as other ADB staff members that may have an interest in this key area of governance and public sector management work of the Bank.

¹ ADB. 2016. *Pacific Private Sector Development Initiative: Progress Report 2014-2015*. Manila.

² ADB's Pacific Private Sector Development Initiative: <http://www.adb.org/offices/pacific/pacific-private-sector-development-initiative>

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Time	Program Details	
8:30– 9:00	Registration	
Opening session 09:00–09:30	Welcome remarks, introductions, and context of the program Group Photo	Moderator: Gambhir Bhatta Speakers: Xianbin Yao, PARD James Lynch, PARD
9:30–9:45	<i>Tea/coffee</i>	
Session 1 09:45–10:45	State Owned Enterprises (SOEs) Reform Approaches: The Big Picture	Presenter: Hon. Richard Prebble, CBE
Session 2 10:45–12:00	Presentation of Finding Balance 2016: Benchmarking the Performance of SOEs in Island Economies The presentation will include the impact of reforms undertaken in the Pacific, identifying key drivers of success and the role played by ADB, where relevant	Presenters: Laure Darcy Christopher Russell Discussants: Emma Veve, PAUS Bruno Carrasco, SARD Lesley Lahm, SPD Panelists: DMC officials
12:00–13:30	<i>Working lunch with session leads</i>	
Session 3 13:30–15:00	Roundtable discussion: Country Performance on Public Sector Reforms 1 This session will discuss the evaluation on the effectiveness of ADB's work in support of public sector reforms in Pacific developing member countries (Federated States of Micronesia and the Republic of the Marshall Islands in Micronesia; Papua New Guinea, Solomon Islands, and Vanuatu in Melanesia; and the Cook Islands, Samoa, and Tonga in Polynesia)	Discussants: Richard Prebble Laure Darcy Christopher Russell Benjamin Graham, IED Panelists: DMC officials
15:00–15:15	<i>Tea/coffee</i>	
15:15–16:30	Roundtable discussion: Country Performance on Public Sector Reforms 2 In this session, speakers will discuss lessons from SOE reforms in other regions where ADB has supported such reforms.	Discussants: From ADB's regional departments Panelists: Richard Prebble, Laure Darcy, Christopher Russell
16:30–17:00	Concluding session: Closing Remarks and the Way Forward	Laure Darcy Christopher Russell

ADB: Asian Development Bank; DMC: developing member country; IED: Independent Evaluation Department; PARD: Pacific Department; PAUS: Urban, Social Development & Public Management Division, PARD; SARD: South Asia Department; SEPF: Public Management and Financial Sector and Trade Division, Southeast Asia Department; SOE: state-owned enterprise; SPD: Strategy and Policy Department; TBD: to be determined