



Good Governance, Better Results

GOVERNANCE THEMATIC GROUP



ADB-ADBI Forum on Governance and Institutions

A joint program of the Governance Thematic Group of ADB and ADB Institute

2018 Forum

“Issues in SOE Reforms and Corporate Governance”

11-13 June 2018

Global Knowledge Exchange and Development Center
47 Hoegi-ro, Dongdaemun-gu, Seoul, Korea

Organized in partnership with:



Korea Development Institute

PROGRAM

A. Introduction

1. Good governance and effective public management are essential for achieving country and sector-level development results. As stated in the Asia 2050 report of the Asian Development Bank (ADB), the message is clear – governance improvements across a range of dimensions, and across the Asia-Pacific region, will be key in determining whether a developing member country (DMC) is able to accelerate development and inclusive growth. Good governance is now generally accepted as an instrumental variable in how countries can reduce poverty through strong local institutions.
2. The Governance Thematic Group (GovTG) at ADB, and the ADB Institute (ADBI) in Tokyo, have teamed up to offer a Forum on Governance and Institutions to provide a platform for senior officials of ADB's DMCs – as well as of the ADB itself – to discuss issues of note in governance and public sector management (PSM). The inaugural session of the annual Forum was held in November 2016 at the ADB Institute in Tokyo and focused on the primary theme of “Governance Issues in Domestic Resource Mobilization”. The second one was held in Seoul in August 2017, with the focus on local governance and service delivery.
3. The annual Forum focuses on specific topics that are germane to the issue of governance and institutions in the Asia Pacific region. It seeks to provide an appropriate forum for government officials to discuss relevant governance issues and, in the process, guide ADB on where and how it can suitably channel its investments for development operations. The participants of the annual Forum are generally: (a) senior managers and staff members of ADB; (b) senior officials of DMC governments that manage the ADB portfolio; (c) noted global experts on the various areas of governance work; and (d) other invited guests and participants from within ADB, the host country of the Forum, and elsewhere.

B. Objectives of the Forum

4. The objectives of the Forum, in general, include:
 - a. **Enhance understanding of global trends** in the various areas of governance and public sector management as well as of global agendas, primarily Sustainable Development Goals (SDGs), COP21 (21st Conference of Parties) for climate action, base erosion and profit shifting, the Addis Agenda on Financing for Development, and others).
 - b. **Share ADB's experiences in its sectors** and sub-sectors of operations (including, eg, state-owned enterprise reforms, domestic resource mobilization and tax administration reforms, subnational governance and local level service delivery, etc.).
 - c. **Hear from DMC governments** what their needs are in public sector management reforms (as well as in governance broadly), and how ADB can better address their needs.
 - d. **Assess how ADB can scale up operations** on public sector management.

C. 2018 Forum: Issues in SOE Reforms and Corporate Governance

5. The 2018 Forum will be held in Seoul (11-13 June 2018), in partnership with Korea Development Institute. The focus of the 2018 Forum will be on issues related to reforms of state-owned enterprises and corporate governance. This sub-sector of public sector management is one of three main areas of focus of the Governance Thematic Group (the other two being “domestic resource mobilization” and localizing global agendas and local governance” – both of whom have been discussed in prior Forum workshops). For SOE reforms, among other things, good corporate governance (as with the private sector) is a must for successful policy outcomes. Indeed, weaknesses in corporate governance are almost always responsible for the poor investment decisions and risky financing practices that lead to non-performing loans and large-scale bankruptcies. Which is why it makes sense to discuss this topic during the Third Forum, jointly with Korea Development Institute, which has developed a skills development program specially targeted to ADB programming in mind in this sub-sector.¹

¹ A precursor workshop on SOE Reforms and Corporate Governance was prepared by KDI for senior ADB staff members in Seoul (12-14 March 2018).

6. The 2018 Forum will be based on a twin track approach: (a) Component 1 (on the first day of the three-day program) will concentrate on the overall context of governance and PSM in which SOE reforms and issues of corporate governance feature; and (b) Component 2 on the second and third days will include a SOE-specific skills development program that is tied to the learning of the first day discussions. The first portion, on 11 June 2018, will be facilitated by the Governance Thematic Group of ADB; while the second one (on the 12th and 13rd of June) will be facilitated by KDI, which has developed the training program.

D. 2018 Forum, Learning Objectives, and Methodology

7. Table 1 lists the learning objectives of the 3rd ADB-ADBI Forum on Governance and Initiatives.

Table 1. Learning Objectives of 2018 ADB-ADBI Forum on Governance and Institutions

Learning Objectives	Performance Targets/Indicators
<p>After attending the Program, the participants will:</p> <ul style="list-style-type: none"> a. get a better appreciation of overall trends in corporate governance and SOE reforms b. understand the scope of ADB reform efforts in SOE reforms and corporate governance c. appreciate the legal implications of work related to addressing corporate governance weaknesses d. be able to ascertain red flags in SOE operations and know how to approach them e. develop professional networks and linkages among practitioners and policy-makers in specific areas of corporate governance and SOE reforms 	<ul style="list-style-type: none"> a. All participants self-assess as having received relevant knowledge b. ADB programs are better informed by lessons from prior ADB operations and government inputs c. Participants self-assess as having learned about relevant issues in the legal domain of SOE reforms and corporate governance d. Participants confirm that they have these skills set e. Evidence of greater interactions, either on their own or through relevant entities and groups within ADB; access to policy-makers and country experts in DMCs is facilitated

8. The methodology of the Forum focuses on operationalizing the recently prepared Strategy 2030. This is part of the attempt to take a more holistic view of reforming SOEs, and instituting principles of good corporate governance in these public entities. Individual panel sessions in the Forum (for both components) will be used to elicit practical ideas on how to enhance ADB operations on the ground on SOE reforms and other areas of PSM. Finally, the structure of the Forum will enable substantial learning from peers.

E. Proposed Program Outline

9. The structure of the program is in Appendix 1 (see attached).

For questions on this proposal, please contact:

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ADB-ADBI Forum on Governance and Institutions
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2018 Program

Sunday, 10 June 2018	
Pre-Forum reception, 7PM, Astor Suite, 36F, Lotte Hotel Seoul (hosted by ADB)	
Monday, 11 June 2018	
Session	Program Details
Morning (09:00 – 09:30)	Opening Ceremony Remarks by - Representative from Korean Ministry of Strategy and Finance - Chiara Bronchi, Deputy Director General of SDCC and OIC of the Governance Thematic Group - Chul Ju Kim, Deputy Dean of ADBI Group Photo Session
Special Talk (09:30 - 10:15)	Korea's Development Experience and Role of ADB and MDBs Speaker: Joon-Kyung Kim, Professor of KDI School of Public Policy and Management
(10:15 – 10:30)	Tea/coffee break <i>[All the sessions to follow for the day will be chaired by Gambhir Bhatta, ADB]</i>
Session 1 (10:30 – 11:15)	ADB's focus on governance and public sector management, including: (a) SOE reforms and corporate governance in Asia and the Pacific region (b) Political economy of, and governance risks in, SOE reforms in ADB's developing member countries Presenter: Gambhir Bhatta, ADB
Session 2 (11:15 – 12:15)	Country cases (4 cases to be selected from among the participating countries)
(12:15 – 12:30)	Q&A
(12:30 – 13:30)	Lunch Break
Afternoon	
Session 3 (13:30 – 14:15)	ADB Operations Related to SOE Reforms (Sovereign and Non-sovereign); Case study – IIFCL, India Presenter: Bruno Carrasco, Director, SAPF/SARD, ADB
(14:15 – 14:30)	Q&A
(14:30 – 14:45)	Tea/coffee break
Session 4 (14:45 – 15:30)	Legal Aspects of SOE Reforms, Corporate Governance, and Financing Instruments Presenter: Jogendra Ghimire, Senior Counsel, OGC, ADB
Session 5 (15:30 – 17:00)	Panel discussion: What next in SOE reforms and practice of corporate governance in Asia and the Pacific, and how to get there? (The panel will consist of the ADB presenters, as well as 5 selected representatives from among the participating countries)
Evening	Dinner, 7PM, Belle-Vue Suite, 36F, Lotte Hotel Seoul (Hosted by ADBI)

Tuesday, 12 June 2018	
Session	Program Details
Morning	<i>[Morning Session will take place in Lotte Hotel Conference Room]</i>
Session 6 (09:00 – 9:45)	Framing the Implementation Challenges in Public Sector and SOE Reform The session will examine case studies of SOEs from Asian countries including India, Philippines, and Singapore to facilitate discussion in order to identify challenges and lessons in implementing reforms based on the experiences of other countries. Facilitated by: Kwang Sung Kim, KDI Visiting Fellow
Session 7 (9:45 – 10:45)	Engaging the Clients Group Exercise: Getting Clients' Perspectives on their Policies and Strategies on Corporate Governance and SOE Reform Facilitated by: Kwang Sung Kim, KDI Visiting Fellow
10:45	Bus departs for Daejeon (1 hr 40 mins)
(12:30 – 13:45)	Lunch, 1PM, Bamboo Rice, Daejeon
Afternoon	
(14:00 - 16:00)	Site Visit of Korea Water Resources Corporation (K-Water) in Daejeon
16:30	Bus departs for hotel
Evening	Dinner, 7PM, Haniikwan, B1 Floor, Ferrum Tower (Across the street from Lotte Hotel) (Hosted by KDI)
Wednesday, 13 June 2018	
Time	Program Details
Morning	
Session 8 (09:00 – 10:30)	Governance and Transparency in the Public Sector Presenter: Jin Wook Choi, Professor, Department of Public Administration, Korea University
(10:30 – 10:45)	Tea/coffee break
Session 9 (10:45 – 12:00)	How Public Private Partnerships (PPP) can Promote Efficiency and Fiscal Space in the Context of Korea's Experience Presenter: Hyeon Park, Professor, International School of Urban Sciences, University of Seoul
(12:00 – 13:00)	Lunch Break
Afternoon	
Session 10 (13:00 – 14:30)	Reforming State Enterprises Presenter: Jin Park, Professor, KDI School of Public Policy and Management
(14:30 – 14:45)	Tea/coffee break
Session 11 (14:45 – 17:00)	Group Exercise: Action Planning: Clients formulate an action plan and possible follow-up steps on their countries policies and strategies on improving performance of SOEs. Facilitated by Kwang Sung Kim, KDI Visiting Fellow
	Group Exercise: Feedback on Action Plan from Panel of Experts from ADB, ADBI and KDI Facilitated by Kwang Sung Kim, KDI Visiting Fellow
Session 12 (17:00-18:00)	Closing Ceremony: Wrap-up and Concluding Remarks <ul style="list-style-type: none"> • Panel Discussion • Evaluation • Presentation of Certificates By ADB/ADBI