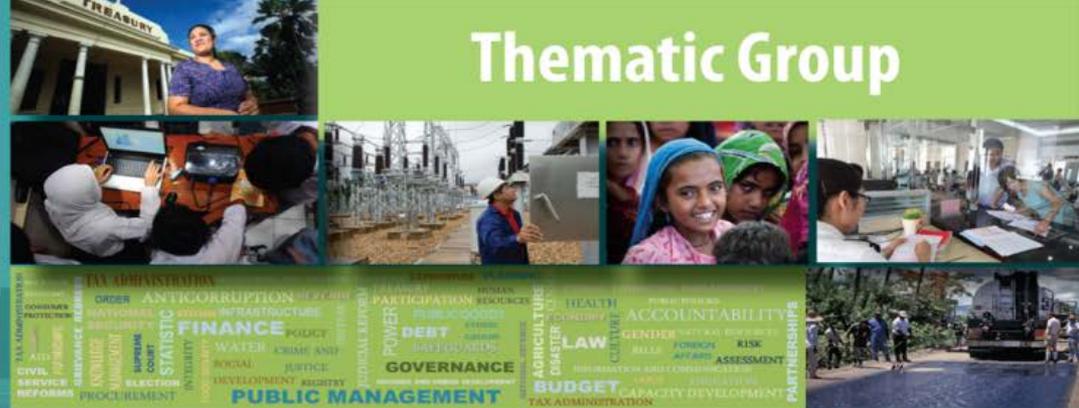


# Governance



## Design Issues in Governance Learning Program

14–15 December 2015

*The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.*



# Thematic Group

**TAX ADMINISTRATION**  
ORDER, ANTI-CORRUPTION, INFRASTRUCTURE, FINANCE, WATER, CHINA AND, SOCIAL, DEVELOPMENT, BUDGET, PUBLIC MANAGEMENT, GOVERNANCE, DEBT, PARTICIPATION, RISK, ACCOUNTABILITY, GENDER, LAW, BUDGET, TAX ADMINISTRATION, CAPACITY DEVELOPMENT, PARTNERSHIP

**RT** **FINANCIAL HELP SQUANDERED**  
"LACK OF OVERSIGHT TO BLAME FOR BOTCHED AID"  
AFGHANISTAN

LONDON 05 17 ISRAELI JETS REPORTEDLY STRIKE MILITARY WAREHOUSE NEAR #DAMASCUS



# REGIONS

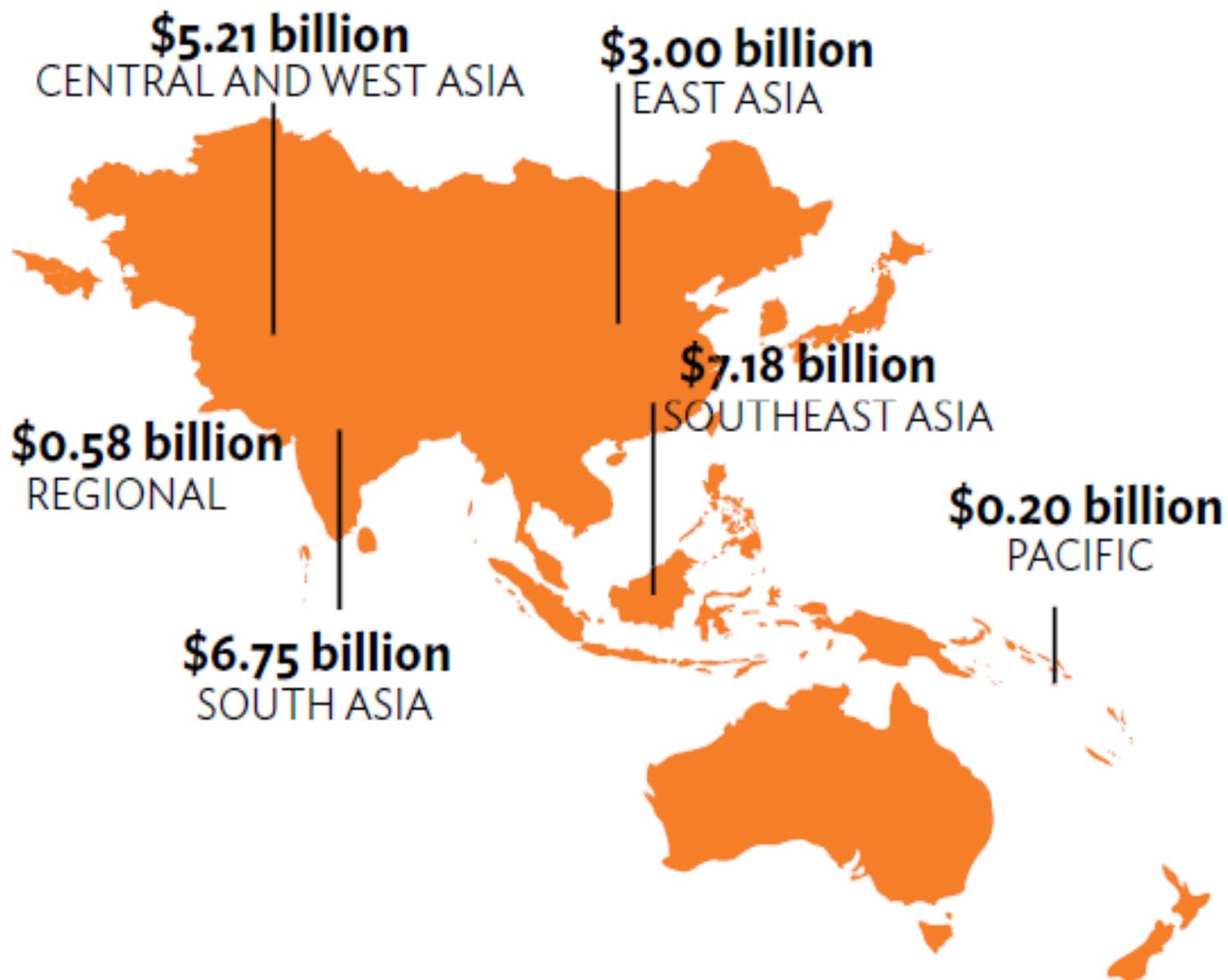
Investments by regions  
(as of 31 Dec. 2014)

## 3 largest

SE Asia, \$7.18b

S Asia, \$6.75b

CW Asia, \$5.21b



# Governance



## Investments by sectors (as of 31 Dec. 2014)

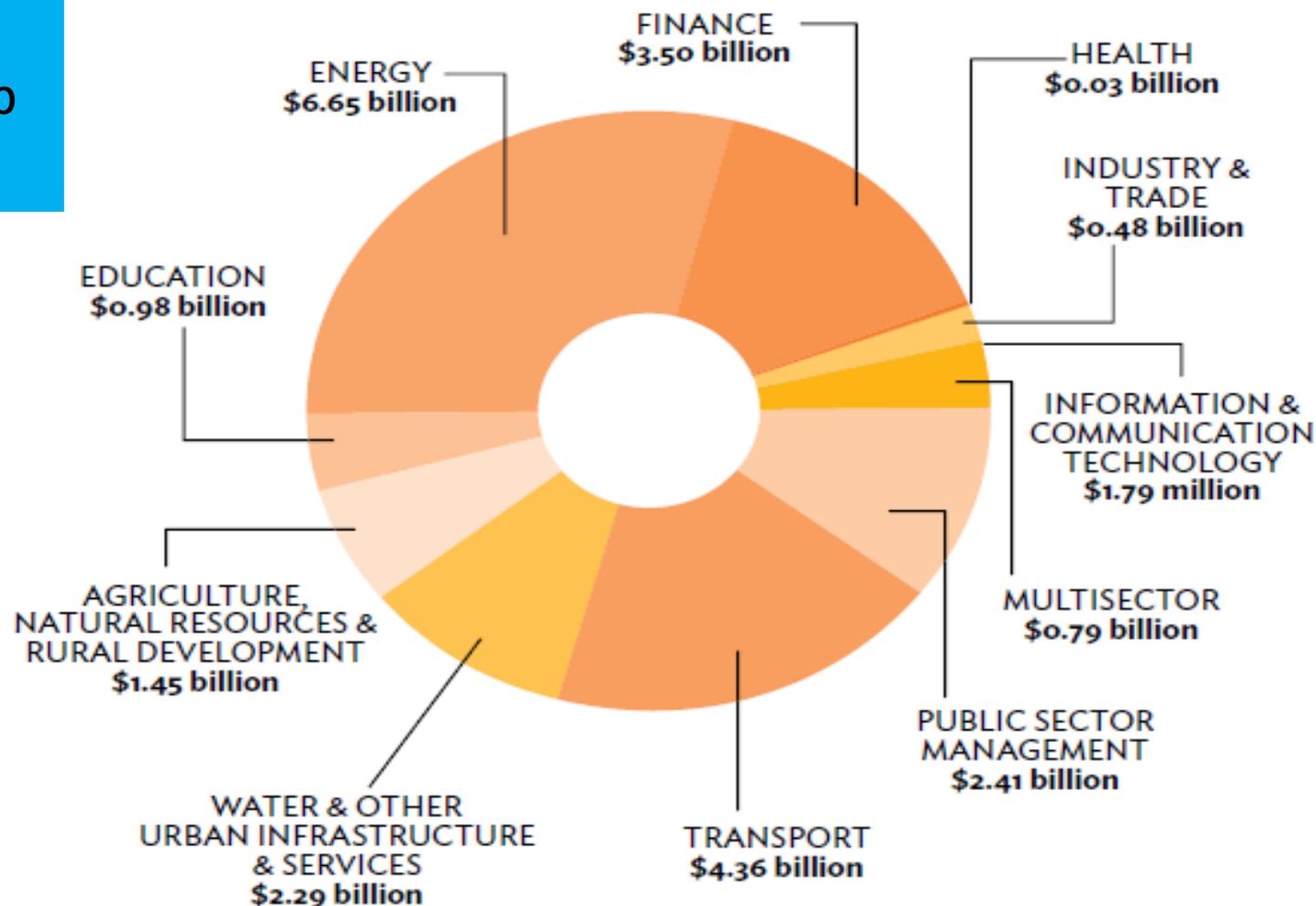
### 3 largest

Energy, \$6.65b

Transport, \$4.36b

Finance, \$3.50b

## SECTORS





# Primary tool – Risk Assessment and Management Plan

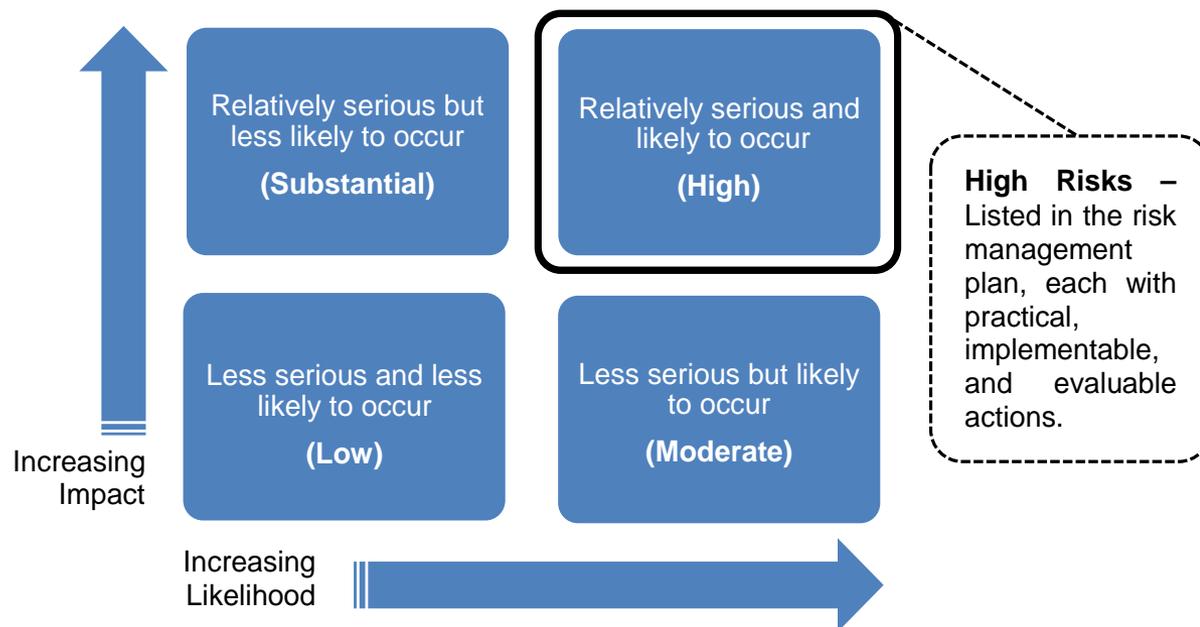
## Areas considered in assessment

Public financial  
management

Public  
procurement

Vulnerabilities  
to corruption

Figure 4: Risk Categories



Source: ADB.

**Governance  
Risk  
Assessments  
since 2006:  
32 country-  
and  
99 sector-level  
assessments**



Often, it's difficult to "tell it like it is"...

THE ECONOMIC TIMES CHENNAI MONDAY 11 FEBRUARY 2008

ECON

# Rate us the way we are, govt tells World Bank, OECD

Niranjan Bharati  
NEW DELHI

**I**N WHAT is being seen as a move to protect the Indian corporates from criticism on the global arena, the government has said it would not allow either the World Bank or the Organisation for Economic Co-operation and Development (OECD) to rate corporate governance of Indian companies on the parameters set by them. The norms adopted by these international bodies are best suited to the developed countries and not for countries like India which are still catching up with such practises, the government has argued.

If the World Bank is allowed to rate the Indian corporate about corporate governance, industry representatives feel, it would have dented the image of companies like IOC, Gail, Bhel, NTPC and a number of private players.

"We have clearly told the World Bank and the OECD team that they would be allowed to rate the Indian enterprises for their implementation of corporate governance practises only if



## SPARE THE BLUSHES

The govt has informed World Bank that it would be allowed to rate Indian corporates on corporate governance only as per the norms set by GoI. The govt feels that WB's ratings may dent the image of many top-notch companies

the world bodies would take the parameters set by the Government of India (GoI) for the rating purpose," a senior official in the ministry of heavy industries and public enterprises said.

The protective step has been taken by the government despite the fact that Sebi has made it mandatory for all the listed companies to have 50% of the board members as independent directors with an aim to ensure effective corporate governance practises. The government, however, has mandated that all the central public sector enterprises (CPSEs) should populate at least 33% of their board seats with independent directors. Industry

observers feel that the move is aimed at saving the face of India's top-notch companies such as IOC, ONGC and Gail among others who are short on many parameters of corporate governance, even on those set by the department of public enterprises (DPE) itself.

The government has, however, started taking the matter seriously and even pointed out that the 'navratna' and 'mini-ratna' status of the CPSEs can be taken away if they do not adhere to the set norms. This would result in the companies losing lots of financial and administrative powers.

niranjan.bharati@timesgroup.com



Home » Front Page

12:00 AM, November 12, 2015 / LAST MODIFIED: 12:00 AM, November 12, 2015

# TIB never intends to hurt JS

*Says the watchdog in statement*



**TRANSPARENCY  
INTERNATIONAL**

***“... several lawmakers of the treasury and opposition benches... demanded that the Speaker summon TIB officials immediately to the House to question them over the “derogatory remarks” on parliament. Suranjit Sengupta, chief of the parliamentary standing committee on law, the next day asked TIB to apologise for “humiliating” the House, constitution and the state, and said legal action would be taken otherwise.” \****



## Design Issues...

**Impact?** Help improve ADB operations on the ground

### Objectives?

- build skills of staff on GCD and PSM subject matters, including how to carry out and manage governance risk assessments;
- share knowledge across ADB and with external parties on GCD and PSM matters;
- help build a network of GCD and PSM practitioners inside and outside ADB.



## Design Issues...

### Targeted at?

- Core skills for project mission leaders and other staff
- Skills in specific areas for relevant and targeted staff
- Knowledge and communication with (a) Director-level staff, (b) relevant DMC officials

### Areas of coverage?

- GRA in PFM/procurement/VtoC – core
- Institutional analysis, CB – expanded to the core
- DRM, E-governance, local governance: specific modules



# Governance

## Mode of delivery?

- Short duration for knowledge/communication modules
- Core + Modular basis
- E-modules?
- Case studies: which ones? who prepares? QA?
- Guidance materials?
- External partner(s): (a) speaker(s); (b) hosts
- Participation of relevant government officials
- Staff as facilitators and resource persons
- Facilitator(s)?



## Design issues...

### Where?

- One portion at ADB
- Outside ADB
- In RMs (for RM staff and government officials)

### When?

- Pilot in February/March
- Main offer of core module before July
- Individual module(s) whenever appropriate/possible

### How to market/communicate?

- Through DGs/DDGs/Directors
- Through KSSC's knowledge portal
- BPMSD and recognition