



# The 6<sup>th</sup> Meeting of the Asia Network on Corporate Governance of State-Owned Enterprises

The Sheraton Grande Walkerhill, Seoul, Korea, 17 -18 May 2010

**Session 2 : Progress in implementing reform priorities according to the Policy Brief**

## **Case Study-1: Recent Endeavour of the Philippines on drafting a new SOE Act**

**Presented by:**

**Jonathan Juan “JJ” Moreno**  
**Practice Leader, Corporate Governance**  
**Palladium Group Asia-Pacific**  
Email: [jmoreno@thepalladiumgroup.com](mailto:jmoreno@thepalladiumgroup.com)

# Agenda

- Background
- Challenges
- Recent developments
- Way Forward

# Background

- **Raise awareness** – Seminars & conferences, workshops
- **Evaluate CG policy frameworks and practices** – CG Scorecards
- **Influence policy** - Presidential Memorandum Issued on April 10, 2007
- **Support viable and effective CG reforms** - A Specialized Corporate Governance Circle for GOCCs & GFIs

# Challenges

- Long-term vs. short-term benefits
- Accountability and monitoring mechanisms
- Poor enforcement
- Transparency and disclosure regimes
- Outdated laws/charters (conflicting mandates)
- Weak/compromised boards
- Lack of public awareness, support and trust

# Recent developments

- New Government
- “Burning Platform” – the case for change is established
- Awareness and expectations are high
- Performance and results are expected

# Way forward

## Philippine SOEs need to:

### 1. Clarify strategy

- developing a clear vision and strategy
- aligning and engaging the organization to execute it.

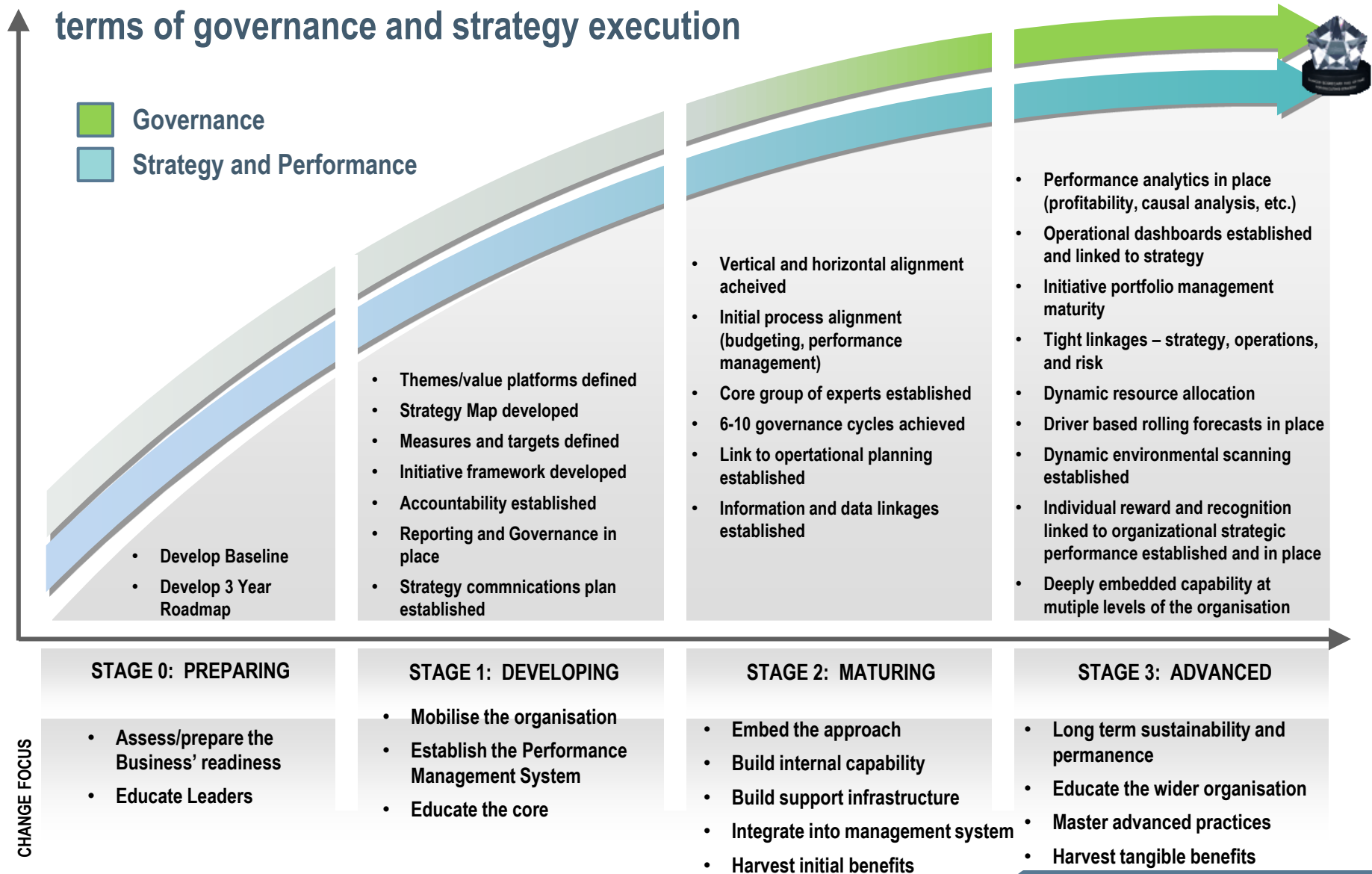
### 2. Drive performance

- ensuring that resources are allocated dynamically through focused and flexible planning & budgeting, governance, portfolio management, reporting, and measurement solutions

### 3. Deliver results

*“Link governance to strategy and performance”*

## Every organisation, at a point in time, will be at a certain level of maturity in terms of governance and strategy execution



# The Game Changer

## The GOCC Governance Act of 2011

*An act to promote financial viability and fiscal discipline in government-owned or -controlled corporations and to strengthen the role of the state in its governance and management to make them more responsive to the needs of public interest and for other purposes*