



**WORLD BANK GROUP**



# Session 4 – Building Effective SOE Boards and Leadership

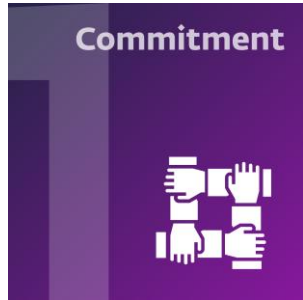
April 2026

# Helping to Navigate SOE Governance Challenges

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# IFC Corporate Governance Methodology



## Commitment to ESG

- Formalities: CG code & basic CG documents
- Code of Ethics
- Designated CG Officer/Corp. or Company Secretary
- Recognition
- Understanding of Business case for CG



## Structure and Function of the Board of Directors

- Role & Responsibilities
- Composition
- Nomination, Selection, Remuneration
- Succession
- Committees
- Meeting Procedures & Practices
- Evaluation & Performance
- Oversight of E&S



## Control Environment

- Internal Audit Function
- Internal Control System
- Risk Governance
- Compliance
- Elements of External Audit
- Integration of E&S
- Subsidiary Governance



## Disclosure and Transparency

- Financial reporting and External Audit
- Risk Disclosure
- Corporate Disclosure
- Sustainability /ESG Reporting



## Treatment of Minority Shareholders

- Voting Rights
- Protective Rights
- Investor Relations



## Governance of Stakeholder Engagement

- Stakeholder Mapping
- Stakeholder Engagement Policy
- Worker Grievance Mechanism
- Affected Communities Grievance Mechanism

# The WBG SOE Leadership Offering

IFC Board  
Leadership  
Toolkit

2007

WBG SOE  
Governance  
Toolkit

2014

WBG SOE  
Leadership  
Training  
Toolkit

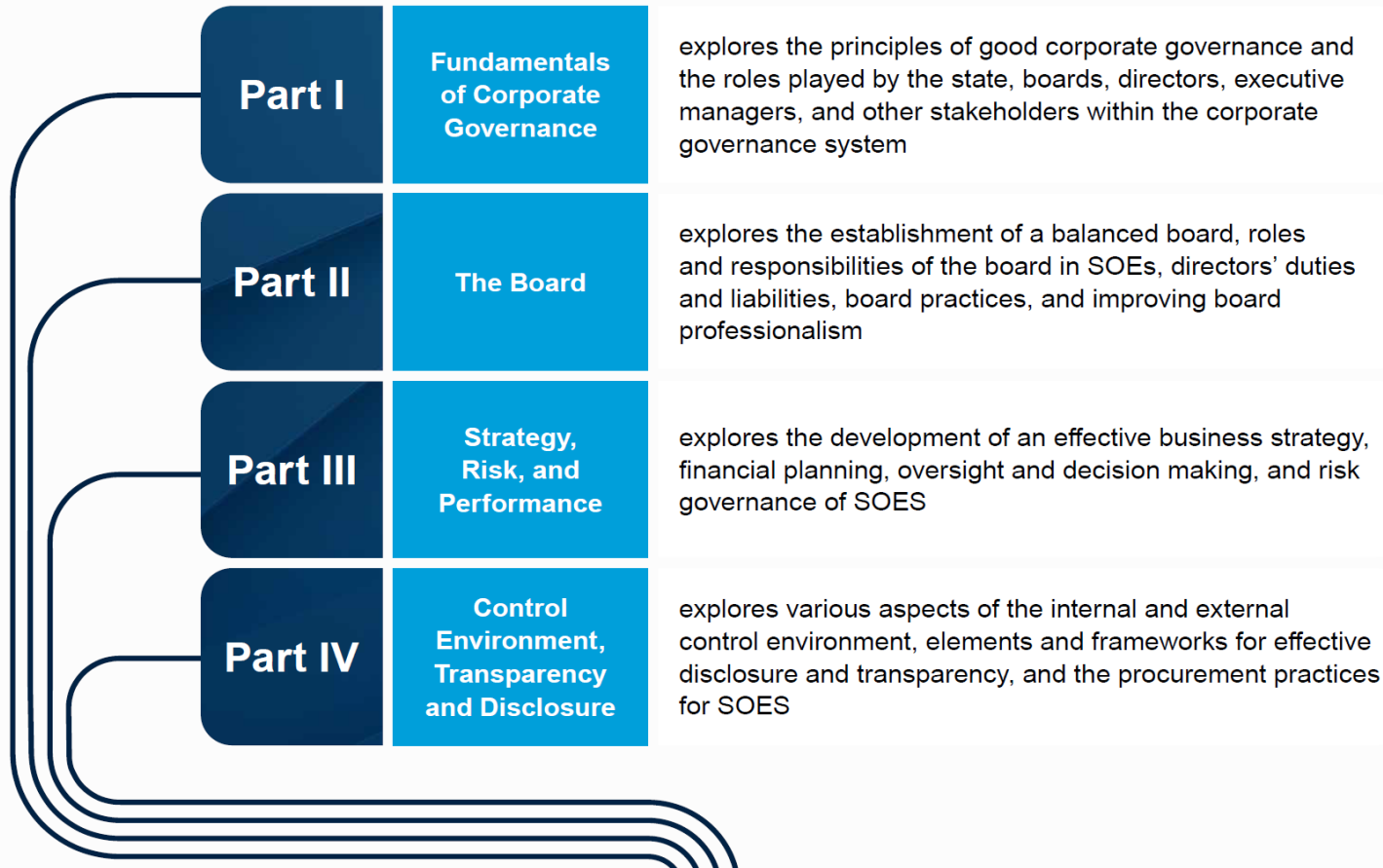
2021

WBG ACADEMY  
SOE Leadership E-  
Learning

2024

*Building the blocks...underpinned by the [OECD Guidelines on Corporate Governance of SOEs](#).*

# Objectives and Course Structure



## Target Audience



Government Officials and representatives of state-ownership entities



SOE Board Directors



SOE Senior Executives

Access through [\*\*WBG Academy\*\*](#)

❖ 4 parts 14 modules ~ 30-45 minutes per module



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# ANNEX

## SOE Leadership Program Detailed Structure



# Getting Started

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- ❖ Go to: [WBG Academy](#)
- ❖ For help- reach out at [SOEAcademy@worldbankgroup.org](mailto:SOEAcademy@worldbankgroup.org) to discuss region/country specific needs.
- ❖ WBG SOE Leadership team will help to present SOE Leadership Program, assess your training needs, help determine the mode of delivery (face to face, virtual or e-learning...or hybrid) and customize to your knowledge needs.

# Part I: Fundamentals of Corporate Governance

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## Introduction to corporate governance

- Defining corporate governance for SOEs
- Key principles of good corporate governance
- Business case for corporate governance
- Corporate governance policies and procedures



## Role of the state as the owner

- Roles and rights of the state as an owner
- States role in setting policy priorities for SOEs
- State's role and rights over board nomination and financial oversight
- Negotiating and monitoring performance agreements

## Protecting minority shareholder rights

- Importance of minority protection
- Shareholder rights
- Key stakeholders in SOEs, their role, and relationships in SOEs

# Part II: The Board

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## Board Composition and Structure

- Characteristics of a balanced board including gender aspects
- Optimizing board size
- Types of directors and their leadership attributes
- Specialized board committees

## Board Practices and Procedures

- Role of the company secretary
- Managing preparation and conducting meetings
- Follow-up and in between meetings
- Communicating with the state/shareholder



## Board's roles, director's duties and liabilities

- Board's roles and responsibilities
- Role of the state representative
- Differentiate managing versus directing
- Director's legal duties and liabilities

## Improving the board's professionalism and effectiveness

- Separating the role of the Chair and CEO
- Formalizing board policies and procedures
- Board evaluation methods
- Director training

# Part III: Strategy, Risk and Performance

## Developing an effective business strategy

- Element of a good strategy
- Board's role in the governance of a company's strategy
- Strategic planning process
- Balancing public service and commercial obligations
- Monitoring of strategy implementation, HR policy to support strategy

## Financial oversight and decision-making

- Financial oversight arrangements in SOEs
- Assessing financial performance and health of SOEs
- Company's capital gearing, dividend policy and valuation
- Subsidiary governance



## Financial planning and budgeting for SOEs

- Budgeting process and management in SOEs
- Financing options for SOE service obligations

## Risk governance

- Concepts and nature of risk management
- Risk appetite, strategy and management
- Risks arising out of climate change and social factors
- Disaster recovery and business continuity planning

# Part IV: Control Environment, Transparency and Disclosure

## Internal and external controls and compliance

- Understanding the control environment
- Internal audit, risk assessment and decision-making frameworks
- Effective organizational structure
- Importance of a comprehensive compliance program
- External audit for SOEs, role of SAIs, Parliamentary oversight
- HR procedures and control

## Nonfinancial information reporting and disclosure

- Disclosure provisions
- Sustainability reporting
- Narrative reporting



## Financial accounting and disclosure

- Disclosure and transparency of financial information
- International and local accounting environment for SOEs
- Financial reporting of SOEs and key users and their needs
- Consequences of inadequate financial information





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