



Lebanon  
Joint workshop Institute of Finance / METAC  
Surveillance of SOEs



# A roadmap to improve surveillance of SOEs and reporting



# Objectives



- Update the roadmap to take first steps and improve surveillance of financial performance and fiscal risks from SOEs
- All short-term actions can be implemented in the current legal and institutional arrangement

# Roadmap



Main action	Description	Timeline	Status	METAC
Set up a working group with the Ministry of Finance, financial controllers, a selected number of SOEs and the Institute of Finance	<ul style="list-style-type: none"> <li>- Select the SOEs that will participate in the working group (ideally to include large, systemically important and high risk SOEs as well as a cross section of other SOEs)</li> <li>- Define regularity of meetings and the agenda</li> </ul>	Short-term	In progress	Yes
Within the working group, define the key elements to improve surveillance of SOEs	<ul style="list-style-type: none"> <li>- Select the key financial indicators to monitor, based on the tool presented during the training;</li> <li>- Define what kind of financial data selected SOEs would need to share with the MoF and the financial controller</li> </ul>	Short-term	In progress	Yes

# Roadmap



Main action	Description	Timeline	Status	METAC
Begin collecting standardized data on the selected SOEs	- Gather data from selected SOEs / Public Institutions in using the standardized Excel format discussed during the workshop on a quarterly basis	Short-term	In-progress	Yes
Analyze the data together with SOEs	- Analyze the data using the SOE HCT	Short-term	Not started	Yes

# Roadmap



Main action	Description	Timeline	Status	METAC
Improve reporting within the Ministry of Finance	- Submit a report to the director of the Ministry of Finance to inform policy decisions and mitigate fiscal risks	Short-term	Not started	Yes

# Roadmap



Main action	Description	Timeline	Status	METAC
Identify and solve financial information gaps	<ul style="list-style-type: none"><li>- Identify gaps of information in the financial data provided by SOEs</li><li>- Develop and execute a plan to address those gaps</li></ul>	Medium-term	Not started	Yes

# Roadmap



Main action	Description	Timeline	Status	METAC
Improve transparency and external reporting on SOEs	<ul style="list-style-type: none"> <li>- Study the possibility to publish a first report on the financial performance of SOEs based on key public corporations (examples of Egypt and Tunisia);</li> <li>- Liaise with the Macro Fiscal Unit to feed information on SOEs into the draft fiscal risk statement</li> </ul>	Medium-term	Not started	Yes
Revise the legal framework	<ul style="list-style-type: none"> <li>- Identify gaps in the existing legal framework</li> <li>- Make a clear distinction between general government entities and public corporations based on the Government Fiscal Statistics Manual (GFSM) 2014 classification</li> <li>- Ensure adequate access to information for the Ministry of Finance to monitor fiscal risks from SOEs</li> </ul>	Medium-term	Not started	Yes

# Questions and discussion



- Viability of the actions suggested:
  - Alignment with Government strategy
  - Scope of the surveillance
  - Buy-in from main stakeholders
  - Implementation capacity
  - Skills and capability
- Are the suggested timeline realistic?
- What further assistance from the IoF, METAC and the Fiscal Affairs Department is required?