



REPORT



DIRECTOR TRAINING PROGRAM FOR STATE OWNED ENTERPRISES (SOEs)

10-12 FEBRUARY, 2025

Held at the
EXECUTIVE DEVELOPMENT INSTITUTE
of the
NATIONAL SCHOOL OF PUBLIC POLICY

87-Shahrah-e-Quaid-e-Azam, The Mall, Lahore
www.nspp.gov.pk

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National School of Public Policy

The National School of Public Policy (NSPP) is the premier institution in Pakistan for training civil servants. It focuses on building their skills for creating and implementing policies at all levels. NSPP promotes an open environment for analysis, rational inquiry, and the pursuit of knowledge. The main goal of NSPP is to enhance the quality and effectiveness of public policy and its implementation in Pakistan by improving in-service training and continuous professional development for officers, executives, and related partners. Its integral units also bring together the public and private sectors on the same platform for diversity and idea exchange.

Executive Development Institute

The Executive Development Institute (EDI) is an integral unit of NSPP that provides a platform for exchanging knowledge and ideas between the public and private sectors. EDI focuses on critical policy issues to promote a better understanding and cooperation between various sectors of the State. The Institute is engaged in the continuous professional development of executives/officers/faculty/ of the public and private sectors through training, workshops, and policy dialogues. The overarching aim of EDI is to promote knowledge responsive to the contemporary economic and social challenges, which can better be dealt with robust governance response. It has successfully conducted a range of programs on various topical issues of national importance

Directors' Training Program for State-Owned Enterprises (SOEs)

The National School of Public Policy (NSPP) has the distinction of being the first and only public sector institution authorized by the Securities and Exchange Commission of Pakistan (SECP) to conduct the Director Training Program (DTP) for both listed companies and state-owned enterprises (SOEs). According to Point 21 of the State-Owned Enterprises Ownership and Management Policy 2023 under the State-Owned Enterprises (Governance and Operations) Act 2023, "Each Director of the SOE will have to satisfactorily complete a Director Training Program for SOEs."

DTP for SOEs at NSPP is meticulously designed under the SECP guidelines and a thorough analysis of the SOE Act 2023 and SOE Policy 2023. This program equips board members with the essential skills and enhances their strategic thinking, governance, and management capabilities. Key components of the Director's Training Program included the SOEs Legal Framework, Financial and Risk Governance, Competitive Neutrality, and Directors' Selection and Performance Review.

NSPP offered this comprehensive three days course at its state-of-the-art campus in the heart of Lahore, providing top-level facilities to ensure an optimal learning experience.

The Speakers & Participants

Hon'ble Federal Minister for Planning, Development & Special Initiatives, Mr. Ahsan Iqbal, inaugurated the training as Keynote speaker. Notable speakers included Dr. Ishrat Hussain, Ex-Governor State Bank of Pakistan & Ex- SAPM; Mr. Tariq Bajwa, Ex- Governor, State Bank of Pakistan; Mr. Zafar Masood, President and CEO of the Bank of Punjab; Mr. Kashif Noor, Military Accountant General; Dr. Yasir Mehmood, former President of Lahore Stock Exchange; Mr. Mian Nauman Kabir, Ex- President, LCCI & Dr. Arshad Ali, Head of Cyber Security Department, FAST National University. Their expertise and insights were invaluable to the participants. A significant number of participants, nominated by provincial governments, federal organizations, and the private sector including the Governments of Punjab, KPK, Sindh, Karachi Port Trust, Bank of Punjab, OGDCL, RAILCOP, Pakistan Mint and SNGPL actively took part in the training.

Three Days' Directors' Training Program (DTP) for SOEs

Keynote Address

Mr. Ahsan Iqbal, Hon'ble Federal Minister for Planning, Development and Special Initiatives

The program began with an insightful keynote address by Hon'ble Federal Minister Mr. Ahsan Iqbal. He highlighted the necessity of reforming SOEs in Pakistan, emphasizing that for too long, these enterprises have faced challenges related to inefficiencies, financial mismanagement, and a lack of accountability.



The hon'ble minister underscored the federal government's commitment in addressing these challenges, mentioning the introduction of the SOEs (Governance and Operations) Act 2023. He explained that this Act aims to strengthen transparency and accountability frameworks while reducing financial irregularities. The government's goal is to cut financial losses related to SOEs by 30% within five years and enhance their contribution to economic development.

Drawing from his extensive experience working with state institutions and his commitment to reviving the economy, Mr. Iqbal shared examples of successful reforms. He highlighted the Ghee Corporation of Pakistan's reorganization in 1986 as a case of well-managed public sector institutions outperforming even the private sector.

The Hon'ble Minister also touched upon the broader context of the government's efforts to drive economic stability and growth. He emphasized that the reform of SOEs is part of a larger strategy to foster a resilient and sustainable economy. By improving the governance and performance of these enterprises, the government aims to create a more efficient public sector that can better serve the needs of the people. Minister Iqbal expressed his confidence that with continued dedication and the support of well-trained directors, the reformed SOEs will become key contributors to Pakistan's economic revival and long-term prosperity.

Furthermore, he stressed the importance of this training program in equipping directors with the necessary skills and knowledge to improve SOE performance. He concluded by congratulating the administration of NSPP and the Executive Development Institute (EDI) for organizing the program and expressing hope for a brighter future for Pakistan through these transformative efforts.

Day 1

Session: Principles of Corporate Governance, SOE Reforms and Legal Framework

Speaker(s): Mr. Muhammad Anwer Sheikh and Mr. Ahmad Nazir Warraich

In the session, Mr. Muhammad Anwer Sheikh provided an insightful overview of the fundamentals of corporate governance, emphasizing the importance of sound and prudent management as outlined in the SOE Act 2023. Meanwhile, Mr. Ahmad Nazir Warraich delved into the legal aspects, highlighting key provisions from the SOE Policy 2023, which covers the criteria for ownership, management, and the responsibilities of the Federal Government with respect to state-owned enterprises. Together, they offered a comprehensive understanding of the governance and legal frameworks essential for the effective operation of state-owned enterprises in Pakistan.

Session: Role of Government

Speaker: Dr. Shujat Ali

In the session, Dr. Shujat Ali provided a comprehensive analysis of the government's role in economic governance and public policy, particularly in the context of the SOE Act 2023 and SOE Policy 2023. He emphasized the government's responsibility in ensuring the effective management and oversight of state-owned enterprises. Dr. Ali highlighted the importance of establishing a framework for accountability, transparency, and performance improvement. His insights underscored the critical role of government in fostering a robust and dynamic economy through strategic reforms and policy implementation.

Session: Board Composition and Structure

Speaker: Mr. Tariq Bajwa

Mr. Tariq Bajwa provided an in-depth analysis of the optimal composition and structure of SOE boards. He emphasized the importance of having a diverse and independent board to ensure effective oversight and strategic decision-making. Mr. Bajwa highlighted key provisions from the SOE Act 2023, which mandate the inclusion of independent directors and set criteria for board appointments. His insights underscored the critical role of a well-structured board in enhancing the governance and performance of state-owned enterprises.

Session: Directors' Selection and Performance Review**Speaker: Dr. Ishrat Husain**

Dr. Ishrat Husain provided an insightful examination of the processes involved in selecting and evaluating directors' performance particularly within the framework of the SOE Act 2023 and SOE Policy 2023. He emphasized the importance of merit-based selection criteria and regular performance assessments to ensure accountability and effective governance. Dr. Husain highlighted key provisions from the SOE Act 2023 that outline the standards for director appointments and performance reviews. His insights underscored the critical role of robust selection and review mechanisms in enhancing the effectiveness and governance of state-owned enterprises.

Day 2**Session: Directors' Duties, Role and Liabilities****Speaker: Mr. Tariq Bajwa**

In the session, Mr. Tariq Bajwa provided an insightful overview of the responsibilities and obligations of directors, in context of SOE Act 2023 and SOE Policy 2023. He emphasized directors' critical role in ensuring good governance, accountability, and strategic direction for state-owned enterprises. Mr. Bajwa also highlighted the legal liabilities and ethical considerations that directors must be aware of, as outlined in the SOE Act 2023 and the Companies Act 2017. His insights underscored the importance of directors adhering to their duties to foster transparency, integrity, and effective management in state-owned enterprises.

Session: Developing a Business Plan**Speaker: Mr. Zafar Masood**

Mr. Zafar Masood provided a comprehensive guide on creating effective business plan within the framework of State-owned Companies. He emphasized the importance of strategic planning, market analysis, and financial forecasting to ensure the success of state-owned enterprises. Mr. Masood highlighted key provisions from the SOE Act 2023 that outline the requirements for business plans and the role of the government in supporting these initiatives. His insights

underscored the critical role of well-developed business plans in driving the growth and sustainability of state-owned enterprises.

Session: Financial and Risk Governance

Speaker: Mr. Abdul Rehman Warraich

Mr. Abdul Rehman Warraich provided an analysis of financial management and risk governance in Public Enterprises under the financial laws and regulations. He emphasized the significance of robust financial controls, risk assessment, and mitigation strategies to ensure the stability and sustainability of state-owned enterprises. Mr. Warraich highlighted key provisions from the SOE Act 2023 that mandate effective financial oversight and risk management practices. His insights underscored the critical role of comprehensive financial and risk governance in enhancing the performance and accountability of state-owned enterprises.

Session: Public Service Obligations and Competitive Neutrality

Speaker(s): Mr. Muhammad Anwer Sheikh and Mr. Mian Nauman Kabir

Mr. Muhammad Anwer Sheikh and Mr. Mian Nauman Kabir discussed the balance between fulfilling public service obligations and maintaining competitive neutrality, particularly within the framework of State-Owned Enterprises. Mr. Sheikh emphasized the importance of state-owned enterprises meeting their public service obligations while ensuring that they do not have an unfair advantage over private sector competitors. Mr. Kabir discussed the regulatory measures and policies necessary to maintain a level playing field. Their insights underscored the critical role of strategic reforms in promoting public service objectives and competitive fairness in the market.

Session: Cyber Security Risk and Counter Measures

Speaker: Dr. Arshad Ali

Dr. Arshad Ali briefed on the new age cybersecurity threats and the strategies to counter them, particularly in the context of State Institutions. He emphasized the importance of robust cybersecurity measures to protect state-owned enterprises from potential cyber-attacks and data breaches. Dr. Ali highlighted key provisions from the SOE Act 2023 that mandate stringent cybersecurity protocols and risk management practices. His insights underscored the critical role

of implementing effective countermeasures to ensure the security and integrity of state-owned enterprises' digital infrastructure.

Day 3

Session: Code of Conduct and Conflict of Interest

Speaker(s): Mr. Faisal Farid & Mr. Ahmad Nazir Warraich

In the panel discussion, Mr. Faisal Farid and Mr. Ahmad Nazir Warraich discussed the principles of ethical conduct and managing conflicts of interest, particularly within the framework of the SOEs. Mr. Farid emphasized the importance of establishing a robust code of conduct to guide the behavior and decision-making of employees and directors. Mr. Warraich focused on the key provisions from the SOE Act 2023 that address conflicts of interest and the measures needed to mitigate them. Their insights underscored the critical role of ethical governance in fostering transparency, integrity, and accountability in state-owned enterprises.

Session: Reporting and Disclosure

Speaker(s): Mr. Imtiaz Mehmood and Dr. Yasir Mehmood

In the session, Mr. Imtiaz Mehmood and Dr. Yasir Mehmood discussed the practices and principles of reporting and disclosure. Mr. Mehmood emphasized the importance of transparent and accurate reporting to ensure accountability and informed decision-making. Dr. Mehmood highlighted key provisions from the SOE Act 2023 that outline the standards and requirements for disclosure. Their insights underscored the critical role of effective reporting and disclosure in promoting transparency, accountability, and trust in state-owned enterprises.

Session: Controls (Eternal Audit, Internal Control and Audit Committee)

Speaker: Mr. Kashif Noor

In the session, Mr. Kashif Noor provided an insightful overview of the essential components of financial controls and governance. He emphasized the importance of robust external audits, effective internal control systems, and the pivotal role of audit committees in ensuring transparency and accountability. Mr. Noor highlighted key provisions from the SOE Act 2023 that

mandate comprehensive auditing practices and strong internal controls. His insights underscored the critical role of these controls in enhancing the governance and performance of state-owned enterprises.

Case Study

Mr. Salman Amin

In the last session, Mr. Salman Amin conducted a case study in which he presented a detailed scenario involving a state-owned enterprise (SOE). Participants were then asked to analyze the case as if they were a board of directors, discussing the various governance, strategic, and operational challenges faced by the SOE. This interactive approach allowed participants to apply the principles from the SOE Act 2023 and SOE Policy 2023 in a practical context, fostering a deeper understanding of effective governance practices.

Assessment

In the end, an online MCQ-based assessment was held, covering all the topics discussed in the sessions, particularly focusing on the SOE Act 2023 and SOE Policy 2023. This assessment aimed to evaluate the participants' understanding and retention of the key principles, governance practices, and legal frameworks discussed throughout the sessions. It provided a practical way for participants to demonstrate their knowledge and identify areas for further improvement.









NATIONAL SCHOOL OF PUBLIC POLICY
EXECUTIVE DEVELOPMENT INSTITUTE
Directors' Training Program for State Owned Enterprises (SOEs)
10th-12th February 2025





1st Row: L to R	Ms. Tasneem Riaz Naqvi (Participant)	Mr. Hussain Anwar Res. Associate (EDI)	Mr. Zulfikar Ali Deputy Director (EDI)	Dr. Naeem Niazi (Participant)	Dr. Jamil Afaqi Dean (PASC)	Prof. Ahsan Iqbal (Federal Minister)	Mr. Ahmad Nazir Warrach Dean (EDI)
	Mr. Asim Iqbal DG (Admin) NSPP	Mr. Qaiser Iqbal Additional Director (EDI)	Mr. Qaisar Mehmood Deputy Director (EDI)	Mr. Muhammad Irfan Protocol officer (EDI)			
2nd Row:	Ms. Kanwal Wazir Flt Lt. (R) Ashraf Chaudhary	Ms. Afadia Shoaib Khan Mr. Zahid Latif Khan	Ms. Sehriah Malik Wing Cdr. Muhammad Imran Javed	Brig. (R) Dr. Muhammad Naseem Baig	Mr. Zubeir Hussain Kharal	Mr. Arif-ur-Rehman	Mr. Iftikhar Taj
3rd Row:	Mr. Omar Saeed Chaudhri	Mr. Altaf Hussain Mahesar	Lt Col. Haris Mustafa	Mr. Amer Sultan Tareen	Mr. Muhammad Rehan Khan	Mr. Umer Mukhtar	
4th Row:	Mr. Jahanzaib Durrani	Mr. Ali Raza Altaf	Mr. Kamran Hafeez	Wing Cdr. Muhammad Nauman			
	Mr. Waqas Anwar	Mr. Rizwan Hameed	Mr. Farrukh Iqbal Khan	Mr. Furqan Yaser	Cdr. Rao Muhammad Imran	Mr. Muhammad Riaz Khan	Mr. Shah Fahdar Mr. Maqsood Ahmed