



ALLIANCE FOR CHANGE

STATE ENTERPRISES POLICY

EXECUTIVE SUMMARY

Government investment and support in water, electricity, transport, and other critical services are cornerstones of equitable development. To ensure they operate efficiently, transparently, and without political interference, this policy establishes a robust governance framework, performance-based oversight, and a meritocratic management culture—enabling state-owned enterprises (SOEs) to deliver world-class service.

By adopting this policy—which aligns with OECD, World Bank, Lean Government, and regional best practices—AFC will transform State Enterprises into professional, innovative institutions. These enterprises will responsibly steward national assets, deliver reliable services, and underpin Guyana’s transition into a modern, inclusive, and sustainable economy.





1. CLEAR MANDATE & PERFORMANCE OBJECTIVES

- Each SOE will have a legislated mandate balancing commercial viability and public-service obligations.
- Objectives should be measurable: financial Key Performance Indicators (KPIs) (e.g., return on equity \geq prevailing benchmark) alongside service standards like coverage, reliability, and affordability.
- Mandates must be negotiated transparently and renewed periodically with stakeholder oversight.

2. PROFESSIONAL, INDEPENDENT BOARDS

- Boards (5–9 members) appointed

through a merit-based process, including independent experts with complementary skills (finance, engineering, environment, consumer affairs).

- The AFC will ensure that all stakeholders, including the parliamentary opposition, are given a meaningful voice on state boards.
- Boards will include an independent chair, audit, and risk committees.

3. GOVERNANCE, TRANSPARENCY & ACCOUNTABILITY

- SOEs must follow OECD corporate governance standards, including public disclosure of strategy, financials (IFRS), risks, and related-party transactions.
- Mandated internal audit functions reporting to audit committees; external audits by the Auditor General annually.

Operating procedures, budgets, KPIs, and deviations to be published annually.

4. MERIT-BASED RECRUITMENT & MANAGEMENT AUTONOMY

- Senior management to be hired via transparent, competency-based selection, with fixed-term contracts and performance-linked pay.
- Ministers may set broad policy directions, but must refrain from day-to-day interference.
- Staff evaluations tied to performance targets, with training and career development protected from political influence.



5. PERFORMANCE MANAGEMENT & PEER ACCOUNTABILITY

- All SOEs and their leaders to enter into Performance Contracts with predefined KPIs, subject to annual review.
- Public ranking of SOE performance (e.g., league tables); incentives for high-performers and remediation plans or restructuring for under-performers.

6. COMPETITION & LEVEL PLAYING FIELD

- Where feasible, services like power generation, distribution, and transport should be partially liberalized to foster private competition.
- Regulatory frameworks must treat SOEs and private firms equally, avoiding special exemptions or implicit subsidies.

7. STAKEHOLDER ENGAGEMENT & COLLABORATIVE GOVERNANCE

- Establish forums for consumer and civil society input, ensuring continuous engagement and responsiveness.
- Adopt a whole-of-government model integrating SOEs into strategic planning and national digital, infrastructure, and climate goals.

8. INNOVATION, EFFICIENCY & TECHNOLOGY ADOPTION

- SOEs to implement lean government principles to reduce “waste” and streamline workflows.
- Encourage adoption of modern



technologies (e.g., smart meters, digital billing, IoT utilities monitoring) to improve performance.

- Promote AI and data analytics for demand forecasting and strategic planning.

9. SUSTAINABLE AND INCLUSIVE OPERATIONS

- Embed sustainability mandates aligned with national environmental commitments; monitor greenhouse gas emissions and climate risk.
- SOEs must support universal access, subsidizing vulnerable communities where necessary, with cross-subsidization clearly accounted for and compensated.



10. CENTRALISED OVERSIGHT & CAPACITY BUILDING

- Establish a State Ownership Unit within the Ministry of Finance or Cabinet Office to coordinate SOE governance, build sector expertise, and review decisions.
- Regular capacity enhancements for boards and management via training programs, peer exchanges, and benchmarking against top-performing peers.

11. SUSTAINABLE PUBLIC PROCUREMENT

- SOEs to practice sustainable procurement integrating local-supplier preferences and green criteria.
- All large contracts to be tendered competitively, with transparent disclosures and publication of winners and terms.

12. RISK MANAGEMENT & AUDIT

- Mandatory enterprise-wide risk management frameworks overseen by boards.
- Audit committees with independent membership; public reporting of audit outcomes and corrective actions.

SUMMARY TABLE

PILLAR	EXPECTED OUTCOME
Clear Mandate & KPIs	Balanced financial and service performance
Independent Boards	Unbiased strategic direction
Transparency	Public trust & fiscal discipline
Merit Management	Skillful leadership, minimal politics
Performance Contracts	Accountability & continuous improvement
Competition	Innovation and consumer choice
Technology	Cost savings & smarter delivery
Governance Unit	Central oversight, consistency
Sustainability	Climate resilience & inclusive service
Procurement	Value for money & local growth
Audit & Risk	Early detection, stronger control

VOTE

AFC



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