

Right to Information and Whistleblower Protection Training

As part of the series of training on Right to Information (RTI) & Whistleblower Protection organised by the SANCUS project, TM organised a training targeting State-Owned Enterprises (SOEs), Non-Governmental Organizations (NGOs) and public institutions. The one-day training was held on 7 December 2022.

Objectives of the Training

- Ensure that participants are well-versed with the RTI Act, understanding the principles of RTI, the RTI process and the exemptions.
- Ensure that participants clearly understand how public authorities are determined and understand the spirit of RTI and the importance of this process in strengthening the transparency and accountability of SOE functions.
- Ensure that the participants are well versed with the Whistle-blower Protection Act, understand the procedures to report wrongdoings through whistleblowing and promote the culture of accountability, transparency and integrity through this mechanism.
- Ensure that participants understand the core aspects of Asset Declaration and the role of this tool in increasing accountability.
- Ensure that participants understand the concept of corruption, risks to corruption and importance of having strong governance measures to increase integrity and reduce corruption.

The training was facilitated by TM, the Information Commissioners Office (ICOM) Whistleblower Protection Unit (WBPU), and the Anti-Corruption Commission (ACC) of the Maldives. A total of 57 participants attended the training from 20 SOEs, 4 NGOs and 4 public institutions.

They include SOEs such as Maldives Integrated Tourism Development Corporation, Maldives Marketing & Public Relations Corporation, Road Development Corporation, Tradenet Maldives, Maldives Post, Island Aviation Services Ltd, Maldives Islamic Bank, Agro National, AASANDHA, Maldives Sports Corporation, Regional Airports Company Ltd, Public Service Media, FENAKA, Business Center Corporation, Housing Development Finance Corporation, Maldives Ports, Dhiraagu, Bank of Maldives, Male' Water and Sewerage Company. Furthermore, NGOs including Zero waste Maldives, JCI Kaafu, Women & Democracy took part in the training as well as Local Government Authority, Privatisation and Corporatization Board (PCB), and the Whistleblower Protection Unit.



Strategic Action Plan 2019 - 2023

The current administration, in their presidential bid made a commitment to make the government more transparent and accountable to its citizens. The Strategic Action Plan (SAP) compiled for 2019 - 2023 comprised five priority areas along with the goals relevant to each area and the steps planned to achieve these goals. Good governance is recognised as one of the five priority areas under the SAP and eliminating corruption, making the state accountable and, reforming independent institutions and public services are included as key goals under this area.

The SAP outlines various development targets and priority areas for five years from 2019 to 2023. However, since the rolling out of SAP into the line ministries' day to day operations in October 2019, there have not been systematic updates on the progress of SAP and the work carried out.

Priority Areas under the Strategic Action Plan

Blue Economy

In this area, SAP identifies the importance of maintaining the health and wealth of natural environment for the two most lucrative industries in Maldives: tourism and fishing. Thus, this sector outlines economic priorities and how it will be delivered in a sustainable manner. The blue economy sector consists of six sub-sectors: Fisheries & Marine Resources, Agriculture, Tourism, SMEs, Labor, Employment and Migration, and Economic Diversification.

Caring State

This sector highlights policies that are critical to bridge the growing income and wealth inequality in the country and outlines priorities relevant to social progress such as Healthcare, Education, Higher Education, Social Protection and Prevention of Narcotic Abuse and Drug Rehabilitation.

Dignified Families

In this sector the SAP addresses key issues affecting family life that will help improve quality of life and thereby the overall development of the country. The sector has six sub-areas: Family, Housing, Youth, Community Empowerment, Sports, and Islamic Faith.

Jazeera Dhiriulhun

This sector outlines priorities relevant to community infrastructure and services and includes subsectors such as Decentralization, Transport Network, Environmental Protection and Preservation, Clean Energy, Waste as a Resource, Water and Sanitation, Resilient Communities, Information, Communication, Technology, Arts, Culture and Heritage.

Good Governance

In this sector the SAP outlines key governance reforms and consists of seven subsectors Rule of Law & Judicial Reform, National Security & Public Safety, Eliminating Corruption, Accountable State, Independent Institutions & Public Service Reform, Gender Equality and Foreign Affairs.



Source: President's Office

Following the Covid-19 Pandemic the government reprioritised the SAP, with the president announcing details of the National Resilience and Recovery Plan (NRRP) in March 2021. As such, the NRRP provides a strategic priority list to recover from the impacts of the global pandemic. Through inquiry from RTI, President's Office (PO) confirmed that SAP is not annulled by the development of NRRP, and SAP will remain as the guiding strategic document during the ongoing presidential term.

Under the SANCUS project, implementation of policies and actions in the SAP targeted for SOEs were monitored. Information requests were sent to the relevant leading agencies in 2021 and 2022. The leading agencies include the PCB, Attorney General's Office (AGO), PO, and the Ministry of Environment, Climate Change and Technology (MoEn).

The following is a list of activities under Policy 4: Strengthen Corporate Integrity and Enhance the Governance and Oversight of SOEs under the priority area of Good Governance in SAP and the actions taken by leading agencies.

SAP Targets: Target 4.1: By 2023, all SOEs undertake regular corporate reporting.

Target 4.2: By 2023, all SOEs comply with code of conduct.

Target 4.3: By 2023, Audit reports show that all SOEs conduct procurement in a fair and transparent manner and that corruption and bribery cases are eliminated in SOEs.

Strategy	Action	Lead Agency	Actions taken 2021	Actions taken 2022
<p>4.1 Strengthen the legal and regulatory framework for the operation and functioning of state-owned enterprises</p>	<p>4.1a Review the current legal framework related to SOEs to minimise corrupt practices, and prevent Economic, Financial and Corporate Offences</p>	<p>AGO</p>	<p>Role of the Attorney General's Office as an implementing agency for certain activities marked in the Government's Strategic Action Plan 2019-2023 is limited to the legislative process required to achieve the policies marked in the Strategic Action Plan.</p> <p>Even though Attorney General's Office is identified as the leading agency, the Ministry of Finance will be the lead agency in formulating policies on the two Actions (Action 4.1a and Action 4.1b).</p> <p>Amendments to the Privatisation and Corporatization Act is also included as one of the Bills to be proposed by the Government in the Government Legislative Agenda 2018-2023.</p> <p>Attorney General's Office will begin the legislative process once the Ministry of Finance shares the identified policies and legislative proposals with regards to the two Actions.</p>	<p>Under the fourth amendment to the Penal Code of Maldives (Act no: 9/2014), it criminalised offering bribes and details the provisions whereby a person may be held liable for this offence. The new amendment also introduced other offences such as acquiring wealth through illegitimate means, misusing state funds or assets, acting in a manner which gives a direct disadvantage to the state and asserting undue influence on businesses. Under this amendment, public officials now include officials and employees working in SOEs, State-majority holding companies.</p> <p>Moreover, under the government legislative agenda 2018-2023, Ministry of Finance has requested for the 'Law of Privatisation, corporatization, monitoring and Evaluation of Government businesses' Act (Act no. 3/2013), to be sent to the parliament for amendment. Therefore, this will be sent to parliament during 2023 and the work related to this is ongoing with related stakeholders.</p>
	<p>4.1b Amend the current Privatisation and Corporatization Act, including increasing Privatisation and Corporatization Board (PCB's) prerogative to steer and oversee the performance of SOEs and their Boards</p>	<p>AGO</p>	<p>Act reviewed and sent to relevant department. Waiting for policy approval</p>	<p>Feedback on improving corporate reporting provided to the proposed Companies Bill in Majlis.</p>
	<p>4.1c Improve regulation, enforcement and compliance in Corporate Reporting (mandatory reporting of companies</p>	<p>PCB</p>	<p>PCB Act reviewed and necessary feedback sent to relevant department in Ministry of Finance. Further improvements are being discussed in light of recent amendments to the Decentralisation Act and other laws amidst new challenges.</p> <p>SOE Cooperate Governance Code rolled out in 2019 details better corporate reporting requirements and its implementation is closely monitored annually. Improved corporate reporting practices are documented in PCB's Annual Cooperate Governance Review Reports.</p>	<p>PCB Act reviewed and necessary feedback sent to relevant department in Ministry of Finance. Further improvements are being discussed in light of recent amendments to the Decentralisation Act and other laws amidst new challenges.</p> <p>SOE Cooperate Governance Code rolled out in 2019 details better corporate reporting requirements and its implementation is closely monitored annually. Improved corporate reporting practices are documented in PCB's Annual Cooperate Governance Review Reports.</p>

Strategy	Action	Lead Agency	Actions taken 2021	Actions taken 2022
<p>4.2: Strengthen the governance, functions and operations of SOEs</p>	<p>Action 4.2a: Roll out of the code of corporate governance for SOEs ensuring that SOEs function and operate under there specified mandates of the Memorandum of Understanding and Articles of Association</p>	<p>PCB</p>	<p>Act reviewed and sent to relevant department. Waiting for policy approval.</p>	<p>Completed in 2019. Compliance reviews done in 2020 and 2021. SOEs' Memorandum of Association and Articles of Association are being reviewed against Cooperate Governance Code and necessary amendments are being brought to Memorandum of Association and Articles of Association for compliance purposes.</p>
	<p>Action 4.2b: Improve administrative, recruitment procedures and practices of SOEs</p>	<p>PCB</p>	<p>Procurement policy guidelines and job classification framework launched during April 2021. SOEs are subjected to adhere to these guidelines. Overall HR policy review was conducted, and recommendations were shared. Expected to endorse an HR policy guideline to harmonize HR policies during the 1st quarter of 2022.</p>	<p>A comprehensive HR Audit of SOEs were carried out in 2021 and recommendations were shared with stakeholders and SOEs An overall HR policy review and formulation of a harmonised HR Policy Manual is being carried out through a Consultancy. It is expected that this HR policy manual will be endorsed by PCB to harmonise HR policies during the 4th quarter of 2023.</p>
	<p>Action 4.2c: Establish procedures to handle and declare conflict of interest by Board Directors and management staff</p>	<p>PCB</p>	<p>Completed in 2021. Reviews ongoing.</p>	<p>A more comprehensive Code of Conduct for Board Directors is being developed which will further strengthen and specify issues related to conflict of interest.</p>
	<p>Action 4.2d: Introduce measures to prepare business development plans and guidelines to set long term strategies for the organisation</p>	<p>PCB</p>	<p>Collected from 54% of SOEs. Work ongoing.</p>	<p>Completed in 2021 under Cooperate Governance Code. Reviews ongoing Compliance information collected from 54% of SOEs. Capacity building works ongoing</p>
	<p>Action 4.2e: Introduce a measure for regular public disclosure and reporting of the Company activities</p>	<p>PCB</p>	<p>Drafted. Waiting for policy approval. Publications started from 2019, all reports are being published in the Ministry of Finance's website.</p>	<p>Quarterly and annual Monitoring and Evaluation reviews of SOEs are published on PCB's website now. SOEs are requested to publish and disclose the same on their websites. A comprehensive Reporting and Disclosure Policy is drafted. Waiting for policy approval</p>

Strategy	Action	Lead Agency	Actions taken 2021	Actions taken 2022
<p>4.2: Strengthen the governance, functions and operations of SOEs</p>	<p>Action 4.2f: Facilitate corporate integrity self-assessments of SOEs</p>	<p>PCB</p>	<p>Internal Auditors minimum qualification agreed and shared with SOEs. Developed internal Audit charter and shared with SOEs.</p>	<p>Self-assessment of SOE Board members started under Cooperate Governance Code in 2019. Strengthening works ongoing. Internal Auditors and CFO's minimum qualification agreed and shared with SOEs. Developed internal Audit charter and shared with SOEs.</p>
	<p>Action 4.2g: Collaborate with Public Service Training Institute (PSTI) to conduct trainings and refreshers to enhance the capacity of SOEs leadership</p>	<p>PCB</p>	<p>Started and conducted the first training on Jan 15th –16th January 2021. Training on Governance for audit committees held in 2019.</p>	<p>Refresher Training for Board Directors and Company Secretaries held in 2020 and 2022.</p>
<p>4.3: Establish corporate Anti-Corruption Policies and Procedures for SOEs</p>	<p>Action 4.2h: Introduce career development coaching for females interested to be promoted to management and leadership levels at SOEs</p>	<p>PCB</p>	<p>Received the data from some of the companies. Due to lock down and the adoption of NRRP, no additional work has been done. Recommended that this activity is to be linked with strategy 1.3 of Gender Equality subsector matrix which is to be led by Gender Ministry.</p>	<p>President's Office requested to nominate female candidates to SOE Boards to increase gender diversity in SOE Boards. Headhunting exercises were carried out to identify interested female candidates for leadership and management positions of SOEs.</p>
	<p>4.3a: Establish a transparent and comprehensive procurement policy for SOEs with fair and transparent bidding processes</p>	<p>PCB</p>	<p>Completed in 2021. Compliance reviews ongoing.</p>	<p>Harmonised procurement procedures and guidelines for SOEs was adopted in April 2021. SOEs are required to adopt and revise their existing procurement policies as per the Guideline. Annual compliance reviews are ongoing and necessary technical assistance to SOEs is being provided to revise the existing policies.</p>

Strategy	Action	Lead Agency	Actions taken 2021	Actions taken 2022
4.3: Establish corporate Anti-Corruption Policies and Procedures for SOEs	Action 4.3b: Conduct cross sectoral training on Maldives financial regulations and standard procurement processes	PCB	Conducted awareness programs during 2020. Communicated with SOEs with regards to CSR and sponsorship activities. Procedure for transparent CSR and sponsorship activities of SOEs will be drafted during 2021-2022.	Regular cross-sectoral training on Public Finance Regulations conducted by Public Finance Institute, Ministry of Finance. SOEs are included in these trainings. Financial Regulation and Procurement Training planned for the year 2023. An understanding has been reached with TM to draft a policy to guide implementation of CSR practices within SOEs. Consultation work on this project is ongoing.
	Action 4.3c: Establish procedures for transparent CSR and sponsorship activities of SOEs	PCB	Completed and ongoing.	Necessary procedures formulated and implementing with a tripartite understanding with PCB, Ministry of Finance and Maldives Monetary Authority.
	Action 4.3d: Establish procedures to deal with foreign currency transactions and cash transfers to prevent money laundering activities	PCB	Regularly communicate with the President's Office when and as needed when finalising Board of Directors.	A revised and more strengthened Appointment Policy for SOE Board Directors is in place from December 2019. Under this policy, candidates are vetted for their criminal records. Board composition and diversity is applied as per the Corporate Governance Code. Code of Conduct of Board Members of SOE has been approved by the PCB and will be gazetted in 1st quarter of 2023. A more strengthened and transparent Appointment Regulation is being drafted and is expected to be approved by the Board in 1st quarter of 2023.
	4.3e: Ensure appointed SOE Board members are free of corruption charges and have gender balance	PCB		

Strategy	Action	Lead Agency	Actions taken 2021	Actions taken 2022
4.4: Reform SOEs providing utility services to achieve the proposed integrated utility service delivery of the government	4.4a: Provide technical advice to the government on integrating utility services 4.4b: Develop an organisational structure and a human resource development plan for the integrated utility service providing SOEs	PCB	Not inquired. Not inquired.	Liaise with ADB to provide technical advice and institutional capacity building. Periodical performance reviews of Fenaka are being carried out and reports shared with stakeholders. Utility services in the Maldives are provided through government majority holding SOEs. Restructuring works of the SOEs are done by PCB. As such a job classification framework has been developed. PCB is also preparing the "harmonised human resource manual" and is expected to be completed by last quarter of 2023.
	4.4c: Conduct annual regulatory, financial and technical audit of utility related SOEs and report to Utility Regulatory Authority (URA) for integrated utility services	MoEn	Utility Regulatory Authority (URA) was established on 13 December 2020 through Utility Regulatory Authority Act (Act No. 26/2020). It was also recognised; sufficient resources need to be allocated to the URA for it to function as a proactive regulator. Therefore, for the 2022 budget, the Government has made budgetary allocations to relocate URA to an appropriate office space, provide additional staff and budget to run their key programs. In addition to financial audits currently being carried out, regulatory compliance audits will be conducted.	Utility Regulatory Authority (URA) established with specific mandate focusing on regulating utilities namely electricity, water, sewerage and waste management. Due to COVID-19, the activities of SAP were reprioritised through National Recovery and Resilient Plan (NRRP), subject to resource availability, URA conducts annual audits for service providers through site visits. In addition, specific legislation governing utilities namely Energy Act, Water and Sewerage Act, and Waste Management Act has been formulated and ratified.

19th Parliament's Standing Committee on State-Owned Enterprises

The Standing Committee on State-Owned Enterprises was established at the 6th sitting of the 19th Peoples' Majlis on 11 June 2019. Transparency Maldives met with the Standing Committee on State-Owned Enterprises in January 2022 to share information on the SANCUS project and observed the work of the Committee during 2022.

Under the Article 124 of the Rules of Procedure of the People's Majlis, the committee is mandated to:

- Ensure that State Owned Enterprises and business institutions follow sound business practices such as corporate governance.
- Monitor whether any action has been taken to strengthen the management of SOEs.
- Monitor the financial status of SOEs, whether they are improving or worsening every year.
- Monitor the dividend payouts of SOEs every year.
- Monitor whether any corrective actions were implemented on poorly performing SOEs and results of such intervention.
- Advising the Appointment and Removal of Privatisation and Corporatization Board to the Parliament and other works related to it.
- Monitor the performance of the Privatisation and Corporatization Board, challenges the board faces and compliance of the board to the legislation.
- Monitor whether the Boards comply with the laws and regulations related to companies, see if there are any challenges faced by boards in implementation, and whether the board decisions comply with the company's Memorandum and Articles of Association of the company.
- Monitor whether the State-Owned Enterprises and state holding businesses management is audited.
- Researching, completing, and reporting on the work stipulated in clauses (a) and (h) and submitting it to the Majlis floor.
- Monitor the financial records of SOEs, analyse financial situation of the companies and monitor dividend payouts.

Committee Members

The Standing Committee on State-Owned Enterprises include 13 members. That includes 9 members from Maldives Democratic Party (MDP), 1 member from Progressive Party of Maldives (PPM), 1 member from Jumhooree Party (JP), 1 member from People's National Congress (PNC), and 1 member from Maldives National Party (MNP).

#	Name	Constituency	Political Party
1	Ilyas Labeeb (Chairperson)	Hulhudhoo	MDP
2	Hussain Mohamed Didi (Vice Chairperson)	Central Fuvahmulah	MDP
3	Ibrahim Rasheed	Central Maafannu	MDP
4	Abdulla Waheed	Dhidhdhoo	MDP
5	Hassan Shiyan	Thoddoo	MDP
6	Ibrahim Fazul Rasheed	Felidhoo	PNC
7	Ahmed Haleem	Bilehdhoo	MDP
8	Mohamed Nashiz	Kinbidhoo	MDP
9	Ali Hameed	Isdhoo	JP
10	Ahmed Shiyam	Naifaru	PPM
11	Mohamed Nihad	Feydhoo	MDP
12	Hussain Qasim	Keyodhoo	MDP
13	Mohamed Nazim	Dhangethi	MNP

Work of the Committee

In the year 2022, the Standing Committee on State-Owned Enterprises worked on 17 cases and published 5 committee reports following completion of the work. Among the 17 cases, 8 cases remain ongoing by the end of 2022.

Completed	Ongoing
Appointment of President to Privatisation and Corporatisation Board.	Issue of Waste Management Corporation Limited's internal audit.
Cancellation of agreement of Bio Biz Maldives Pvt Ltd and Maldives Airports Company Limited.	Issue submitted by B.M.C Slipway And Salvage Company Pvt Ltd regarding barge named "Seepara 3".
Purchase of gas by Maldivian Gas Pvt Ltd against the recommendation of the Parliament.	Review the dissolution of Public Service Media's audit department.
Review of issue submitted by ThreeK International Pvt Ltd against Maldives Tourism Development Corporation.	Review of alleged fraud issues in Public Service Media.
Review the delay in the development of R. Ruhthibirah island by Island Aviation Services Limited.	Resignation of Fenaka's Deputy Managing Director after alleging the Managing Director and Chairman of embezzlement and corruption.
Issue of Male' Streetscaping Development Project by Male' City Council.	Foreign transaction issue of Bank of Maldives.
Resolution to harmonise the electricity tariffs in Greater Male' Area and other islands.	Review the status of the establishment of Th. Funadoo Fish Factory.
Approval of Vice President to Privatisation and Corporatisation Board.	To review and solve the challenges faced in travelling to Fuvahmulah.
Misuse of State resources during election periods.	

The following reports were completed and submitted to the Parliament floor by the Standing Committee:

- Appointment of President to the Privatisation and Corporatisation Board.
- Housing project issues of Sifainge Co-operative (SIFCO) and Police Co-operative (POLCO).
- Approval of Vice President to Privatisation and Corporatisation Board.
- Issues faced by banks due to the properties of stressed accounts.
- Resolution to harmonise the electricity tariffs in Greater Male' Area and other islands.

Observations

- Cases filed with the committee are either through an initiative by the Parliament members or by submitting to the committee by an individual or other party. While the committee cannot bind any party with the decisions made, several recommendations were made throughout the cases reviewed throughout 2022. These decisions also reflect the various documents the committee receives and the meetings with the relevant stakeholders to verify this information.
- The committee has made several recommendations including filing cases with the Anti-Corruption Commission for issues that alleged corruption, State-Owned Enterprises to follow the corporate governance code to strengthen their operations. However, the recommendations given by the Committee are not binding, therefore, the compliance and enforcement of the recommendations are unclear.

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