



SANCUS IN A NUTSHELL





STRENGTHENING ACCOUNTABILITY NETWORK AMONG CIVIL SOCIETY (SANCUS) PROJECT

The Strengthening Accountability Networks among Civil Society (SANCUS) Project is designed to create a groundswell of citizen engagement calling for greater accountability from governments (vertical accountability) and the institutions responsible for overseeing them (horizontal accountability) in 26 countries around the world.

The SANCUS Project in the Maldives, implemented by Transparency Maldives, focuses on strengthening the legal and regulatory framework of State-Owned Enterprises (SOEs), as well as improve the governance, functions and operations of SOEs.

Main activities of the SANCUS Project focuses on Network Building (Anti-Corruption Conference and multi-stakeholder dialogues), Vertical Accountability (Strategic Action Plan (SAP) monitoring, Social Audit of projects, Trainings on RTI and Whistleblowing, Self-assessment toolkit for SOEs, Toolkit on Public Participation in the Budgetary Process), Horizontal Accountability (Monitoring of Parliament's SOEs Committee, Review of Audit Reports) and Adoption of Digital Tools (GloboLeaks and Salesforce Case Management System).

This volume covers the impact of the SANCUS in the four broad areas over the past 2 years and disseminate information on activities carried out under the Project such as trainings, observations made and recommendations on the current SOE governance environment.



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NETWORK BUILDING

Anti-Corruption Conference 2022

TM, in collaboration with the Anti-Corruption Commission (ACC) of the Maldives, organised the Anti-Corruption Conference 2022 at a national level. The two-day Conference was held from 30th – 31st October 2022 in Bandos Maldives included 10 sessions. Scheduled to be held once every two years, this year's Anti-Corruption Conference focused on integrity of SOEs as the theme. A total of 95 participants representing 42 organisations and stakeholders attended the Conference.

Objectives of the Conference

- ❖ Provide a platform for all stakeholders to discuss the existing barriers regarding corruption, in the legal and regulatory framework of SOEs, and ways to collectively address these issues.
- ❖ Provide an avenue to discuss good governance practices and a culture that strengthens accountability, integrity, and transparency.
- ❖ Discuss how stakeholders can incorporate monitoring and evaluation as part of increasing accountability, especially through self-assessments and regular reviews.
- ❖ Discuss how all stakeholders work to strengthen the current environment towards more open and transparent practices embedded with good governance best practices.
- ❖ Discuss how all stakeholders can make a joint effort and contribute to a culture of integrity and accountability within SOEs and institutions they engage with.
- ❖ Formulate a progress pledge for SOEs to commit and work towards to improve transparency and accountability.



Following the Conference, a progress pledge was formulated based on the key issues highlighted. The activities are to be implemented before 2024. TM and ACC have compiled and updated the progress of the activities in the progress pledge based on the 3 multi-stakeholder meetings and 1 on 1 meetings conducted throughout 2023. Key stakeholders who participated include PCB, ACC, Auditor General's office and the Finance Ministry.

#	Issue	Pledged Solution	Actions	Lead Agency	Implementation Progress
1	Challenges & Development of SOEs	Improve the legal and regulatory framework of SOEs	Review the legal and regulatory framework of SOEs	Ministry of Finance	Min. of Finance working on conducting a gap analysis and formulating the SOE Bill with IMF's technical assistance
			Draft an Act for SOEs and submit to Parliament	Ministry of Finance	Min. of Finance working on conducting a gap analysis and formulating the SOE Bill with IMF's technical assistance
			Amend PCB Act	Ministry of Finance	Min. of Finance working on conducting a gap analysis and formulating the SOE Bill with IMF's technical assistance
			Establish a proper and transparent State Ownership Policy for SOEs	PCB	PCB scheduled to establish policy by 2024
2	Corruption Vulnerabilities & SOEs	Reduce corruption vulnerabilities in SOEs	Identify and establish relevant anti-corruption policies such as Conflict of Interest Policy, Anti-Corruption and Anti-Bribery Policy, CSR, Code of Conduct for Board Directors etc. in all SOEs	PCB	The Code of Conduct has been published. The draft of the CSR regulations has been formulated with the assistance of TM, and we have planned to implement the regulations in the first quarter of 2024. The Conflict of Interest Policy, Anti-Corruption Policy, and Anti-Bribery Policy issues are scheduled for 2024.
			Proactive and timely disclosure of information in order to encourage more transparency	PCB	Gaps have been identified, currently in the process of formulating a mechanism to address the issue.
			Establish internal committees within SOEs such as whistleblowing, RTI, Ethics etc	PCB	These are part of the current HR draft policy, yet to be finalized by the PC board



#	Issue	Pledged Solution	Actions	Lead Agency	Implementation Progress
3	Procurement & recruitment in SOEs	Improve procurement and recruitment processes	Conduct needs assessments and risk assessments for identification of procurement and recruitment needs in SOEs	PCB	Scheduled for 2024
			Establish open and fair recruitment policy for SOEs: employees, Board and MDs	PCB	Harmonized HR Guideline is currently in the draft stage.
			Establish open and fair recruitment policy for SOEs: employees, Board and MDs	PCB	PCB circulated the Harmonized Procurement Guidelines on April 8, 2021, granting SOEs a two-year period for adaptation. Presently, the PCB is in the process of assessing the implementation progress.
4	Elections & SOEs	Reduce SOE influence/ involvement in election campaigning	Conduct education and awareness for SOEs on elections and abuse of State resources	TM +ACC	<ul style="list-style-type: none"> •Under the "Together Against Corruption" Campaign, 4 sessions were conducted in 4 locations in the Maldives for public officials. 98 participants were trained in 2023 -ACC conducted sessions to MPL(93 participants through 4 sessions) and MIFCO (170 participants through 6 sessions) and reached 263 participants
			Conduct voter education for the public	TM	<p>Civic education conducted in 15 islands for youth and first time voters.</p> <p>143 participants reached</p>
5	Recurring Issues	Minimise recurring issues identified in audit reports	Establish measures to ensure internal audit functions in SOEs according to IAS	PCB	The qualification requirements for CIA have been circulated, and State-Owned Enterprises (SOEs) are mandated to establish internal audit functions in accordance with the Corporate Governance (CG) code.
			Establish proper follow-up and monitoring mechanism to resolve issues identified in audit reports	PCB	Annual review of Management letters are carried out by PCB



#	Issue	Pledged Solution	Actions	Lead Agency	Implementation Progress
6	Asset Declaration & SOEs	Establish a proper asset declaration regime	Advocate to pass the Asset Declaration Bill without major changes - inclusive of SOEs and PEPs	TM	Scheduled for 2024
			Implement awareness programs on Asset Declaration and the Act for SOEs and government institutions	TM	1 training conducted 2023. 12 Participants reached Trainings scheduled for 2023-2024
7	Responsible Business Conduct	Promote responsible business conduct	Carry out awareness programs on responsible business conduct to SOEs	TM + ACC	As pilot assessment 5 SOEs (STELCO, IASL, PSM, MAEL, HDC) level of disclosure was analysed for 2021 and report published in 2023.
			Utilise the Corporate Governance Transparency Index (CGTI) to identify level of disclosure of corporate governance practices among SOEs based on the framework	TM	32 SOEs listed under Ministry of Finance, assessed for 2022, on level of disclosure under the framework. Findings will be published in 2023
8	Transparency for Accountability	Increase transparency within SOEs	Design awareness programs for SOEs on RTI and Whistleblower Protection	TM	2 trainings conducted in 2023. 29 participants reached Trainings scheduled for 2023-2024
			Utilise SOE self assessment toolkit to appraise and improve anti corruption policies and procedures established in SOEs	TM + PCB	Self assessment Toolkit was published May 2023 trainings conducted by TM to Two SOEs on using the Self assessment Toolkit



Snapshots from the Anti-corruption Conference 2022



SANCUS IN A NUTSHELL- NETWORK BUILDING

Following the Conference, a progress pledge was formulated based on the key issues highlighted. The activities are to be implemented before 2024. TM and ACC have compiled and updated the progress of the activities in the progress pledge based on the 3 multi-stakeholder meetings and 1 on 1 meetings conducted throughout 2023. Key stakeholders who participated include PCB, ACC, Auditor General's office and the Finance Ministry.

National Anti-Corruption Conference 2022

95 participants

- 31 Participants from 21 SOEs
- 42 participants from 12 Government stakeholders
- 21 participants from 8 Non-governmental Organization (NGO)
- 1 participant from a professional body

Progress pledge formulated...

on the key issues highlighted from conference, to be implemented by 2024. The updates are published for 2023.

3 multistakeholder meetings...

Conducted to discuss Progress Pledge updates and next steps

Mol signed...

- Between TM and LGA's training institute "Maldives Institute of Local Governance (MILG)" on 26 February 2023
- Between Transparency Maldives and Anti-Corruption Commission on 09 April 2023



MoU signed between TM and LGA's training institute "Maldives Institute of Local Governance (MILG) on 26 February 2023



MoU signed between Transparency Maldives and Anti-Corruption Commission on 09 April 2023



RECOMMENDATIONS

The SANCUS project has worked closely in the past 2 years with various stakeholders to improve the governance of SOEs in the Maldives. As such, below are some recommendations to the government to improve the SOE framework in the Maldives.

- Enact and pass law for State-owned Enterprises: The law should include aspects such as clearer definitions of SOEs and include subsidiary companies as well as the companies formed by local councils, formation of SOEs, Ownership, Regulation and monitoring of SOEs.
- Develop a state ownership policy that defines the overall rationale for State ownership, and ownership of individuals SOEs.
- Change the appointment of board of directors through a merit-based selection process, without political considerations.
- Establish a monitoring mechanism to resolve the reoccurring issues identified in SOE audit reports.
- Conduct needs assessment and risk assessment for procurement and recruitment process.
- Establish PCB as an autonomous body and increase the resources (manpower, funds) for effective functioning.
- Establish Whistleblower Protection Unit as an independent body and move the Zero Tolerance Whistleblower portal at President Office under the Unit.
- Increase the resources provided to the Whistleblower Protection Unit for effective functioning.



VERTICAL ACCOUNTABILITY

Trainings on Right to Information and Whistleblower Protection

28 June 2022

TM organised a training on Right to Information (RTI) and Whistleblower Protection, mainly targeted for the SOEs. The one-day training was held on 28 June 2022 and this training was the first of a series of trainings on RTI and Whistleblower Protection organised under the SANCUS Project targeted towards SOEs.

Objectives of the Training

- ❖ Ensure participants are well-versed with the RTI Act, understanding the principles of RTI, the RTI process and the exemptions.
- ❖ Promote understanding of the spirit of RTI and the importance of proactive disclosure to overcome the culture of secrecy to strengthen transparency and public trust
- ❖ Ensure that the participants are well versed with the Whistleblower Protection Act, understand the procedures to report wrongdoings through whistleblowing and promote the culture of accountability, transparency and integrity through this mechanism.
- ❖ Create awareness on the importance of good governance processes and mechanisms to improve the performance of functions of SOEs.

The sessions of the training were facilitated by TM, Information Commissioner's Office (ICOM) and the Whistleblower Protection Unit (WBPU) of Human Rights Commission of the Maldives. A total of 26 participants from the following 13 SOEs participated in this training: Aasandha, Bank of Maldives, Fahi Dhiriulhun Corporation Limited, Housing Development Corporation, Housing Development Finance Corporation, Island Aviation Services Limited, Maldives Airports Company Limited, Maldives Fund Management Corporation, Maldives Marketing and Public Relations Corporation, Maldives Ports Limited, Public Service Media, State Trading Organisation and Waste Management Corporation Limited.



07 December 2022

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.



Participants from the Training on Right to Information and Whistleblower Protection held on 28 June 2022.



Training on Right to Information and Whistleblower Protection held on 07 December 2022.



Trainings on Anti-Corruption Principles and Tools

October 2023

As part of the series of training on Right to Information (RTI) & Whistleblower Protection organised by the SANCUS project, TM organised two training targeting individual State-Owned Enterprises. The training was conducted to Public Service Media (PSM) on 11 October 2023, and the training to Aasandha Company Ltd was conducted 12 October 2023.

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 to PSM was facilitated by TM and the Whistleblower Protection Unit (WBPU), a total of 12 participants attended the training. The training to Aasandha was facilitated by TM, a total of 17 participants attended the training.

The Privatization and Corporatization Board (PCB), Anti-corruption Commission (ACC) and the Information Commissioners Office (ICOM) joined the sessions and shared information about the work done by the institutions and highlighted the concerns noted within the two SOEs.



Snapshots from Trainings on Anti-Corruption Principles and Tools held for PSM staff



Snapshots from Trainings on Anti-Corruption Principles and Tools held for Aasandha staff



Other Trainings conducted

“Together Against Corruption” Campaign initiated by Anti-corruption Commission

Under the commission mandate a campaign was initiated by the ACC during 2023. The main objectives of the campaign was to build a society that stands against corruption and encourage public institutions to work together to eradicate corruption.

1

Workshop conducted in Kulhudhuffushi City from 17-18 June 2023

TM conducted a session on Whistleblowing. A total of 24 public officials representing various state institutions joined the workshop.

2

Workshop conducted in Lh. Naifaru from 14-15 August 2023

TM conducted a session on RTI and Whistleblowing. A total of 23 public officials representing various state institutions joined the workshop.

3

Workshop conducted in Gdh. Thinadhoo from 21-22 August 2023

TM conducted a session on RTI and Whistleblowing. A total of 26 public officials representing various state institutions joined the workshop.

4

Workshop conducted in Ga. Villingili from 23-24 August 2023

TM conducted a session on RTI and Whistleblowing. A total of 25 public officials representing various state institutions joined the workshop.



Snapshot from workshop conducted in Kulhudhuffushi City from 17-18 June 2023



Snapshot from workshop conducted in Lh. Naifaru from 14-15 August 2023



Snapshot from workshop conducted in Gdh. Thinadhoo from 21-22 August 2023



Snapshot from workshop conducted in Ga. Villingili from 23-24 August 2023



Women Leadership training by Local Government Authority

Under the LGA's mandate trainings were arranged by the LGA during 2023. The main objectives of the trainings were focused on building women councilors specifically to increase capacity and increase the participation of women councilors.

1 Training conducted from 10-12 July 2023

A session on participatory budgeting process was conducted on the 11 July 2023. The session covered the importance of public participation in budget formulation and ways to increase the engagement. Furthermore, an additional session was conducted on Anti-corruption Principles. A total of 32 councilors joined the session.

2 Training conducted from 01-02 November 2023

A session on participatory budgeting process was conducted on the 02 November 2023. The session covered the importance of public participation in budget formulation and ways to increase the engagement. Furthermore, an additional session was conducted on Anti-corruption Principles. A total of 24 councilors joined the session.



Snapshot from the Women leadership training held from 10-12 July 2023



Women leadership training held from 01-02 November 2023



Social Audit

TM and ACC conducted joint training on how to conduct social audits in the four communities where the projects were being implemented. Each social audit training spanned three days, encompassing site visits and observations in each location. These trainings were carried out from May to August 2023.

Providing training to the community on how to conduct a social audit plays a crucial role in its success. It equips participants with a comprehensive understanding and knowledge to attend to the diverse multi-level processes and stakeholders involved in decision-making. Moreover, the exposure to various accountability tools also offers an opportunity to learn best practices in dealing with different actors and processes for effective accountability efforts.

A total of 40 participants from four atolls were trained and represented local CSOs and interested individuals. The training equipped participants with the skills to conduct interviews with government agencies emphasised the value of collaboration and, the significance of accountability, and provided tools for holding authorities responsible. The site visits and interactions with contractors provided practical experience and insights, enabling participants to collectively identify potential project risks that may lead to corruption.

A **report** has been published with the detailed case studies on the social audits conducted, with the issues and recommendations identified. A **toolkit** handbook was published which details the process of conducting a social audit together with the sample questionnaires prepared for the audits.

Bulletin 3 was also published which provides a summary of steps to conduct a social audit, things to think about before conducting a social audit, and some key findings and recommendations. It also provides a snapshot of how the steps can be implemented through case studies.



Training on Social Audit and Public Participation

TM organised a two day training on Social Audit and Public Participation focusing on social accountability tools. The training was held from 1 – 2 November 2022 and the training was facilitated by Mr. Anoukh de Soysa, Thematic Specialist from Transparency International Secretariat. The training was attended by a total 20 participants from TM, ACC, Local Government Authority, PCB and National Democratic Institute.

Objectives of the Training

- ❖ Ensure that participants are well-versed with social accountability and understand how to use the social accountability tools practically.
- ❖ Learn how to implement social audits as a tool and understand how to promote accountability through this mechanism.
- ❖ Understand the importance of public participation in decision making process.



Snapshot of participants who completed the social audit trainings from Fuvahmulah city, Addu city, Laamu atoll and Kulhuduffushi city



Snapshots from the Training on Social Audit and Public Participation 2022



Snapshots from the Training of Trainers on Social Audit 2023



SAP updates

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 SAP 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
4.1 Strengthen the legal and regulatory framework for the operation and functioning of state-owned enterprises	4.1a Review the current legal framework related to SOEs to minimise corrupt practices, and prevent Economic, Financial and Corporate Offences	AGO	<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>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>
	4.1b Amend the current Privatisation and Corporatisation Act, including increasing Privatisation and Corporatisation Board (PCB's) prerogative to steer and oversee the performance of SOEs and their Boards	AGO	<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>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>
	4.1c Improve regulation, enforcement and compliance in Corporate Reporting (mandatory reporting of companies)	PCB	<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>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
4.2: Strengthen the governance, functions and operations of SOEs	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	PCB	Act reviewed and sent to relevant department. Waiting for policy approval.	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.
	Action 4.2b: Improve administrative, recruitment procedures and practices of SOEs	PCB	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.	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.
	Action 4.2c: Establish procedures to handle and declare conflict of interest by Board Directors and management staff	PCB	Completed in 2021. Reviews ongoing.	A more comprehensive Code of Conduct for Board Directors is being developed which will further strengthen and specify issues related to conflict of interest.
	Action 4.2d: Introduce measures to prepare business development plans and guidelines to set long term strategies for the organisation	PCB	Collected from 54% of SOEs. Work ongoing.	Completed in 2021 under Cooperate Governance Code. Reviews ongoing Compliance information collected from 54% of SoEs . Capacity building works ongoing



Strategy	Action	Lead Agency	Actions taken 2021	Actions taken 2022
4.2: Strengthen the governance, functions and operations of SOEs	Action 4.2e: Introduce a measure for regular public disclosure and reporting of the Company activities	PCB	Drafted. Waiting for policy approval. Publications started from 2019, all reports are being published in the Ministry of Finance's website.	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
	Action 4.2f: Facilitate corporate integrity self-assessments of SOEs	PCB	Internal Auditors minimum qualification agreed and shared with SOEs. Developed internal Audit charter and shared with SOEs.	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.
	Action 4.2g: Collaborate with Public Service Training Institute (PSTI) to conduct trainings and refreshers to enhance the capacity of SOEs leadership	PCB	Started and conducted the first training on Jan 15th -16th January 2021. Training on Governance for audit committees held in 2019.	Refresher Training for Board Directors and Company Secretaries held in 2020 and 2022.
	Action 4.2h: Introduce career development coaching for females interested to be promoted to management and leadership levels at SOEs	PCB	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.	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.



Strategy	Action	Lead Agency	Actions taken 2021	Actions taken 2022
4.3: Establish corporate Anti-Corruption Policies and Procedures for SOEs	4.3a: Establish a transparent and comprehensive procurement policy for SOEs with fair and transparent bidding processes	PCB	Completed in 2021. Compliance reviews ongoing.	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.
	Action 4.3b: Conduct cross sectoral training on Maldives financial regulations and standard procurement processes	PCB	Conducted awareness programs during 2020.	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.
	Action 4.3c: Establish procedures for transparent CSR and sponsorship activities of SOEs	PCB	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.	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 4.3d: Establish procedures to deal with foreign currency transactions and cash transfers to prevent money laundering activities	PCB	Completed and ongoing.	Necessary procedures formulated and implementing with a tripartite understanding with PCB, Ministry of Finance and Maldives Monetary Authority.
	4.3e: Ensure appointed SOE Board members are free of corruption charges and have gender balance	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.



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	PCB	Not inquired.	<p>Liaise with ADB to provide technical advice and institutional capacity building.</p> <p>Periodical performance reviews of Fenaka are being carried out and reports shared with stakeholders.</p>
	4.4b: Develop an organisational structure and a human resource development plan for the integrated utility service providing SOEs	PO	Not inquired.	<p>Utility services in the Maldives are provided through government majority holding SOEs. Restructuring works of the SOEs are done by PCB.</p> <p>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.</p>
	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	<p>Utility Regulatory Authority (URA) was established on 13 December 2020 through Utility Regulatory Authority Act (Act No. 26/2020).</p> <p>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.</p> <p>In addition to financial audits currently being carried out, regulatory compliance audits will be conducted.</p>	<p>Utility Regulatory Authority (URA) established with specific mandate focusing on regulating utilities namely electricity, water, sewerage and waste management.</p> <p>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.</p>

In 2023, 16 RTIs were sent to various institutions to get updates on the National SAP activities where we received information from 15 institutions. The Parliament Maldives is yet to provide the requested information. Key areas of SAP such as Access to justice, Accountable State and Eliminating Corruption was covered. Information collected from these institutions are currently being complied and will upload onto the vau.dhu.com by end of 2023. This platform provides visibility on the progress of commitments made by the government, and the updates by TM can support future advocacy around strategic priorities of the government.



SANCUS IN A NUTSHELL- VERTICAL ACCOUNTABILITY

Achievements

National SAP reviewed in 2021, 2022 and 2023

- Actions under Policy 4: Strengthen Corporate Integrity and Enhance the Governance and Oversight of SOEs reviewed and published

State-owned Enterprises (SOE) trainings

- 4 awareness raising trainings conducted on RTI and whistleblowing. Reached 112 participants (2022-2023)

Publications

- Self-assessment toolkit published (2023)
- Report and toolkit on social audit published (2023).
- 4 bulletins published (2022-2023)

Social Audit

- 20 participants from NGOs and public institutions completed training on social accountability tools conducted by Transparency International (2022).
- 40 participants from CSOs and communities completed the Training in 4 locations in Maldives (2023). 4 projects audited.
- 18 participants completed the Training on trainers on Social Audit (2023)

Other Trainings

- *Awareness Sessions in 'Together Against Corruption' National campaign initiated by ACC (2023)*
 - Awareness Sessions conducted on RTI & Whistleblowing
 - 98 participants reached from 4 locations
- *Women Leadership training by LGA (2023)*
 - Awareness sessions on anti-corruption principles and participatory budgeting process
 - 56 women councilors reached



HORIZONTAL ACCOUNTABILITY

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

Under the SANCUS Project, TM observed the work of the Parliamentary Standing Committee on SOEs by observing the Committee meetings and analysing Committee reports on SOEs. 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.

Under the Article 124 of the Rules of Procedure of the People's Majlis, the SOE 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.

SOE Committee in 2022

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).

Ilyas Labeeb (Chairperson)	Hulhudhoo	MDP
Hussain Mohamed Didi (Vice Chairperson)	Central Fuvahmulah	MDP
Ibrahim Rasheed	Central Maafannu	MDP
Abdulla Waheed	Dhidhdhoo	MDP
Hassan Shiyan	Thoddoo	MDP
Ibrahim Fazul Rasheed	Felidhoo	PNC
Ahmed Haleem	Bilehdhoo	MDP
Mohamed Nashiz	Kinbidhoo	MDP
Ali Hameed	Isdhoo	JP
Ahmed Shiyam	Naifaru	PPM
Mohamed Nihad	Feydhoo	MDP
Hussain Qasim	Keyodhoo	MDP
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 "Seepaara 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.



SOE Committee in 2023

With the resignation of 12 members from the Maldivian Democratic Party in May 2023, the committee was restructured. The committee now includes 8 members from Maldives Democratic Party (MDP), 1 member from Progressive Party of Maldives (PPM), 2 member from The Democrats (DEM), 1 member from People's National Congress (PNC), and 1 member from Maldives National Party (MNP).

Ahmed Easa (Chairperson)	Kendhikulhudhoo	MDP
Hussain Mohamed Didi Vice Chairperson	Central Fuvahmulah	MDP
Abdulla Waheed	Dhidhdhoo	MDP
Ibrahim Fazul Rasheed	Felidhoo	PNC
Ahmed Haleem	Bilehdhoo	MDP
Ahmed Shiyam	Naifaru	PPM
Mohamed Nihad	Feydhoo	MDP
Hussain Qasim	Keyodhoo	MDP
Mohamed Nazim	Dhangethi	MNP
Ibrahim Rasheed	Central Maafannu	DEM
Hassan Shiyam	Thoddoo	MDP
Hassan Afeef	Vilifushi	DEM
Ali Hameed	Isdhoo	MDP

Work of the Committee

In the year 2023, the Standing Committee on State-Owned Enterprises worked on 11 cases and published 4 committee reports following completion of the work. Among the 11 cases, 3 cases remain ongoing by the end of observation period.



Completed	Ongoing
Discussion about the work being done the Privatization and Corporatization Board with regard to SOE's	Issue sent by the President for the approval of majlis to appoint Mr. Mohamed Azad (H. Kela/Koka) as members of Privatization and Corporatization Board
Issue sent by the President for the approval of majlis to appoint Ms. Fathimath Shirween, (M. Land of garden) as members of Privatization and Corporatization Board Committee report no: M19/SOE/2023/01	Attendance Report for State Owned Enterprises Committee 2023
Re rise in price of domestic flights ticket offered by Maldivian	Issues Received from General Purpose Committee
To review the rise in the price of services provided by Waste Management Corporation	
Review of Privatization and Corporatization Board's 2022 Year Annual Report	
Issue Submitted by Economic Affairs Committee to review the issues faced by Bank of Maldives Customers regarding money thefts and other scams	
Issue regarding management of Housing Development Corporation submitted by Kanduvai Exports	



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

- Attendance Report for State Owned Enterprises Committee 2023
- Issue sent by the President for the approval of majlis to appoint Ms. Fathimath Shirween, (M. Land of garden) as members of Privatization and Corporatization Board
- Committee report no: M19/SOE/2023/01
- Issue Submitted by Economic Affairs Committee to review the issues faced by Bank of Maldives Customers regarding money thefts and other scams

Observations

- Due to the developments in the parliament where 12 parliament members resigned from MDP, committees needed restructured. And with both the speaker and deputy speaker facing the motion of no confidence, the work of the parliament was disrupted since May 2023. As such, the issues sent into the committees including SOE committee only resumed in October 2023.
- As there was a presidential election in September 2023, the disruption within the oversight body is distressing as the committee lost opportunity to monitor and oversee the functions of the executive power as well as government institutions and SOEs.



SANCUS IN A NUTSHELL- HORIZONTAL ACCOUNTABILITY

- Monitoring and documentation of SOE meetings and reports
- Published via Bulletin Volume II

SANCUS IN A NUTSHELL- DIGITAL TOOLS

- Will adopt GlobaLeaks digital tool before end of 2023
- Adopted the Salesforce case management system



RECOMMENDATIONS

The SANCUS project has worked closely in the past 2 years with various stakeholders to improve the governance of SOEs in the Maldives. As such, below are some recommendations to the government to improve the SOE framework in the Maldives.

- Enact and pass law for State-owned Enterprises: The law should include aspects such as clearer definitions of SOEs and include subsidiary companies as well as the companies formed by local councils, formation of SOEs, Ownership, Regulation and monitoring of SOEs.
- Develop a state ownership policy that defines the overall rationale for State ownership, and ownership of individuals SOEs.
- Change the appointment of board of directors through a merit-based selection process, without political considerations.
- Establish a monitoring mechanism to resolve the reoccurring issues identified in SOE audit reports.
- Conduct needs assessment and risk assessment for procurement and recruitment process.
- Establish PCB as an autonomous body and increase the resources (manpower, funds) for effective functioning.
- Establish Whistleblower Protection Unit as an independent body and move the Zero Tolerance Whistleblower portal at President Office under the Unit.
- Increase the resources provided to the Whistleblower Protection Unit for effective functioning.



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