

WORLD ASSOCIATION OF



DEBT MANAGEMENT OFFICES

**Presented to members at the
Annual General Assembly
7 December 2001**

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ANNUAL REPORT 2000-2001

Welcome to this first Annual Report which covers the period April 2000 to December 2001. WADMO's first period of life can be described as one of "reflection", during which the Steering Committee met several times in order to think about the Association's future activities and come up with proposals that are submitted in this report. Let us remind that, in April 2000, the general assembly agreed that the activities of WADMO should "focus on providing a bridge between various regional groups, maintaining an information sharing platform and an interactive website, organizing study tours and technical workshops, functioning as a spokesperson on common technical requirements vis-à-vis multilateral financial institutions, including disbursement issues." Along with WADMO Secretariat assistance, the Steering Committee was mandated to come up with detailed proposals as to how WADMO could achieve these objectives.

We hope that this second general assembly will push the Association into an active phase, one in which agreed activities may be implemented. For this, the Association requires financial means and as such the Steering Committee has come up with a proposal on future membership fees to be discussed during this meeting. Let us take a decision on this very important issue so as to allow WADMO to start offering real services and benefits to its members. In the meantime, we are happy to inform you that launch of the WADMO website as well as the Association's first Newsletter are already in process. Both will allow members to exchange information and experiences in the field of public debt management.

We also wish to welcome the associations and institutions dealing with public debt that joined the Association during this year and also to thank all members who, by their participation to this second general assembly, have shown their commitment to WADMO.

WHY WADMO?

During the first Inter-regional Conference on Debt Management organized by UNCTAD in December 1997, representatives of the Bureau of the Treasury of the Philippines tabled a proposal for the creation of a professional association of debt managers. A large number of countries supported the proposal and expressed the need for a regular exchange of experiences, know-how and information about debt management at the international level. The idea of an international association gathering debt professionals was born. In response, UNCTAD helped establish the World Association of Debt Management Offices (WADMO) which held its first general assembly on 6 April 2000.

We would like to refer to the Statement made by Prof. Briones – former Treasurer of the Philippines – during the first general assembly. After highlighting the tremendous increase in the total debt stock of developing countries, particularly the severely indebted low- and middle-income countries; the blessings and risks of intensified globalization; the heart-rending human costs of intolerable debt burdens; and the expectations of civil society, she concluded:

“During the past three days, we have tackled the challenges and solutions of debt management in the new millennium. We have seen that many of these challenges cannot be met if individual countries act alone. What is called for is more information, more cooperation and more joint action between and among countries. Today, we are having our first inter-regional meeting. As we deliberate on WADMO’s possible role and discuss the draft statutes, let us not forget that debt management is not an end in itself. Let us not forget that beyond the daunting management issues, the challenge of predicting a volatile international environment, the heady excitement of information technology – the end of efficient debt management is to see to it that less lives will be wasted and lost, less jobs lost, and more opportunities created for total human development for the peoples of the world.”

WADMO OBJECTIVES

WADMO is an autonomous and non-profit making organization dedicated to the support and advancement of the following purposes:

- a) to promote and develop understanding and cooperation amongst Debt Management Offices;
- b) to strengthen information gathering systems and information exchange amongst Debt Management Offices;
- c) to share country and regional experiences in effective debt management;
- d) to assist Debt Management Offices to gain access to technical assistance and training through referrals to relevant agencies;
- e) to facilitate access to funding and other assistance, through referrals to relevant bilateral and multilateral agencies, for the development and implementation of effective debt management programmes; and,
- f) to assist Debt Management Offices in advising their respective governments in the formulation of appropriate debt policies and strategies.

The aims and purposes of WADMO shall be accomplished through meetings, seminars and congresses, through publication of regular periodicals and special reports, and through such other means as its General Assembly may determine.

According to its Statutes, membership of WADMO shall be open to all offices whose prime function is to manage a country's public debt. Such offices may be autonomous government agencies or

ministerial departments within the central government, very often within the Ministry of Finance, as well as a similar entities within the Central Bank. Membership is also open to all associations sharing similar objectives. Individuals whose major professional interest lies in the area of public debt management may become 'friends' of the association.

STEERING COMMITTEE AND SECRETARIAT

The Steering Committee set up on 6 April 2000 consists of the following elected members:

<i>Function</i>	<i>Country</i>	<i>Representative</i>
President of WADMO	Philippines	Mr. Sergio G. Edeza Treasurer of the Philippines Bureau of the Treasury
Vice-President of WADMO	Dominican Republic	Lic. Luis E. Nuñez Santana Director of International Department Central Bank
Vice-President of WADMO	Uganda	Dr. Muwanga Zake Director of Trade and External Debt Department Bank of Uganda
President of the Steering Committee	Indonesia	Mr. Asrun Fachruddin Director of Budget Administration Ministry of Finance
Steering Committee member	Gabon	Mr. Didier Agaya Principal Adviser Ministry of Finance
Steering Committee member	Honduras	Mr. Marcos Carías Director of Public Credit Division Secretariat of Finance
Steering Committee member	Lesotho	Ministry of Finance
Steering Committee member	Romania	Mr. Serban Epure General Director for External Finances Ministry of Finance

In February 2001 Mr. Sergio G. Edeza succeeded Prof. Briones as Treasurer of the Philippines and President of WADMO.

During the first general assembly it was decided to keep vacant one post of Steering Committee in order to accommodate future membership representation. Therefore, elections should be organized in order to fill this vacant post.

WADMO Secretariat: During the first general assembly held on 6 April 2000, UNCTAD, through the DMFAS Programme, accepted to serve as WADMO secretariat.

FUTURE ACTIVITIES

The Steering Committee agreed on activities on the short-, medium- and long-term and decided that responsibilities should be designated to start working on proposals for the short-term activities. These activities are summarized below and submitted to the general assembly for discussion and approval.

1. Short-term activities

Short-term activities (from now on till 2002)	Responsible	Status update
1. To ask WADMO members for (i) feedback on their debt management problems (questionnaire) and (ii) for proposals on how to improve their capacity	WADMO Secretariat	The questionnaire has been prepared by the Secretariat and sent to all members. The deadline for answers was 30/10/01.
2. To organize regional meetings	Proposals should be elaborated by:	
3. To organize comparative study tours at the regional level, focused on public debt management and in association with training institutions	(i) Romania, for Europe	To be coordinated with DMFAS Programme. Target countries: Czech Republic, Slovakia, Macedonia, etc.
	(ii) Honduras and Dominican Republic for Latin America region	More members from that region are needed in order to organize regional events.
	(iii) Gabon and Uganda for African region	More members from that region are needed in order to organize regional events.
	(iv) and Philippines and Indonesia for the Asian region	Regional debt conference to be planned.
4. To organize WADMO promotion in order to attract potential members	All Steering Committee members	Continuing with the help of the Secretariat.
5. To lobby regional associations to become associate members	President and Vice-presidents of WADMO	Continuing with the help of the Steering Committee and the Secretariat.
6. To develop a WADMO website with links to member countries	A proposal should be elaborated by Gabon	The Secretariat hired in November 2001 a consultant to create the site. Members have been asked to provide inputs. (Please refer to page 7).
7. To elaborate a WADMO newsletter	WADMO President and the Secretariat	Initial material will include SC meeting deliberations. The Steering Committee will ask members to provide articles. No of issues: 1 per year. The 1st newsletter should be issued before the general assembly.
8. To carry out studies on policies and strategies concerning debt issues	All WADMO members can make proposals	On-going
9. To propose concepts on how to develop better relationships between borrowers and lender countries	All WADMO members can make proposals	On-going

2. Medium-term activities (from now on till 2004)

1. To continue lobby activities with regional associations so that they join WADMO as associate members;
2. To start the activities required for the establishment of the debt management institute.

3. Long-term activities (from now on till 2006)

1. To continue the effort to finalise the creation of the debt management institute;
2. To develop international training in collaboration with international and regional institutes as well as universities.

Remarks concerning WADMO Promotion

In order to organize activities at the regional level, a certain number of countries need to be involved. For the time being, the Steering Committee decided that the current number of members does not allow the planning and organization of regional activities. Therefore, the promotion of WADMO to attract new members remains an important activity. In this respect, the active promotion of some members of the Steering Committee resulted in a number of information requests from various institutions. Moreover, the Secretariat is participating in the promotion of WADMO through the numerous missions undertaken by the DMFAS Programme in its user countries and potential user countries.

Preparation of a budget estimate for short-term activities

The initial budget needed for the implementation of WADMO short-term activities will correspond mainly to the development cost of WADMO website, its hosting and its domain name registration and to the publication cost of a newsletter at least once a year. Since WADMO has no existing budget yet, the UNCTAD/DMFAS Programme Secretariat generously volunteered to cover the initial budgetary requirement for these activities.

MEMBERSHIP FEES

During the first general assembly, it was made clear that the Association could receive donations but that donors would consider fees paid by members as a very positive, if not a necessary element, in their decision whether or not to contribute finance to the Association.

The Steering Committee proposal on membership fees is largely based on the experience and practice of the World Association of Investment Promotion Agencies (WAIPA). During one of its meeting, the Steering Committee invited a representative of the Secretariat to present how WAIPA deals with membership fees and benefits granted to members.

Let us remind that WADMO Statutes were largely inspired by WAIPA's Statutes. WAIPA was created in 1995, and went from approximately 60 members at its beginnings to 117 members nowadays.

The information given by WAIPA's representative could be useful to WADMO and is therefore reproduced below:

Membership fees: The fee is set at \$ 2,000. Approximately 50 per cent of the members pay their membership fee. Non-paying members remain members, but, among other things, lose their voting rights.

Benefits for paying members:

- *Training:* Paying members have access to free WAIPA's training activities, including travel and accommodation costs. Non-paying members also have access to training activities, but they have to finance themselves for travel and accommodation costs.
- *Website:* It was one of the first activities implemented by WAIPA Secretariat (UNCTAD). At the beginning the website was developed within the UNCTAD website and by WAIPA Secretariat. After generating funds, WAIPA signed a contract with a private company to develop and maintain its website. Only paying members can have links with their country's website. A forum has been developed where paying members can ask questions and receive answers.
- *Other services accessible to paying members:* Publications (e.g. UNCTAD's Investment Report) and the WAIPA newsletter.

Budget: It took WAIPA several years to start perceiving regular fees and receiving financial contributions. Currently, WAIPA receives contributions in kind, e.g. access to training facilities from private banks. WAIPA is now able to hire a permanent secretary.

Considering that the perception of fees would allow WADMO to gain institutional independence and become financially viable in the future, the Steering Committee makes the following proposal.

Proposal of the Steering Committee submitted to the vote of the general assembly

The membership fee per member and per year should amount to USD 2000. In conformity with Article XVIII of the Statutes that state that fees shall be paid by members not earlier than 2 years after the establishment of the Association, that is April 2002, fees will be perceived for year 2003.

WADMO WEBSITE

A webpage on WADMO has been created in the DMFAS Programme website where basic information is now available, that is: a brief introduction on WADMO, the list of the Steering Committee members, the list of WADMO members and the Statutes in English, French and Spanish. The current address is: <http://www.unctad.org/en/subsites/dmfas/english/wadmo.htm>.

Considering that a website is the most appropriate instrument to provide and share information between members, and that it is important that WADMO develops an independent website, WADMO Secretariat has hired in November 2001 a consultant in order to develop and maintain WADMO's website. The Secretariat will cover the initial costs until the Association has a budget to bear the annual costs involved by the hosting and maintenance of such a site. The option selected was to start with a static site, which could rapidly evolve toward an interactive one (forum), depending on the evolution of WADMO activities and members needs.

The website will have a page listing current members and will give a brief description of member institutions and associations. It will also provide a link to the member's site, if available. On August 2001, the Secretariat sent a correspondence to all members asking them to provide this information, and is awaiting for replies.

WADMO NEWSLETTER

During its meeting in June 2001, the Steering Committee decided to issue a Newsletter, at least once a year at the beginning. The periodicity of the Newsletter will depend on the resources of the Association, its activities and inputs of members. The main objectives of WADMO Newsletter will be to inform members about the Association's work and activities and to allow members to share experiences in the field of debt management.

The Steering Committee decided to issue the first WADMO Newsletter before the second general assembly of the Association. It was agreed that it would be only available in electronic format. For the first issue of the Newsletter, the Secretariat sent to all members a correspondence encouraging them to make a contribution and to send an article on any subject of interest related to debt management.

LIST OF MEMBERS

Since the last general assembly in April 2000, nine institutions joined the Association as full members, namely: Guatemala (Ministry of Finance); Guinea Bissau (Ministry of Finance); Haiti (Central Bank); Jamaica (Ministry of Finance); Lebanon (Ministry of Finance); Mauritius (Ministry of Finance); Togo (Ministry of Finance); Nigeria (Debt Management Office); Uganda (Ministry of Finance); and one association as associate member: MEFMI.

Full members (37)

Angola	National Bank of Angola
Bangladesh	Ministry of Finance
Burkina Faso	Ministry of Economy and Finance
Burundi	Ministry of Finance
Central African Republic	Ministry of Finance and Budget
Chad	Ministry of Finance
Côte d'Ivoire	Ministry of Economy and Finance
Dominican Republic	Central Bank of the Dominican Republic
Gabon	Ministry of Finance
Grenada	Ministry of Finance
Guatemala	Ministry of Finance
Guinea-Bissau	Ministry of Finance
Haiti	Central Bank of Haiti
Honduras	General Department of Public Credit
Honduras	Central Bank of Honduras
Indonesia	Ministry of Finance
Jamaica	Ministry of Finance
Jordan	Ministry of Finance
Kazakhstan	National Bank of Kazakhstan
Kyrgyz Republic	Ministry of Finance
Lebanon	Ministry of Finance
Lesotho	Ministry of Finance
Mauritius	Ministry of Finance
Mongolia	Ministry of Finance
Morocco	Ministry of Economy and Finance
Niger	Ministry of Finance
Nigeria	Debt Management Office
Panama	Ministry of Economy and Finance
Philippines	Bureau of the Treasury
Romania	Ministry of Finance

Senegal	Ministry of Economy, Finance and Planning
Sudan	Ministry of Finance and National Economy
Suriname	Ministry of Finance
Togo	General Department of the Treasury and Public Accountability
Uganda	Bank of Uganda
Uganda	Ministry of Finance
Uzbekistan	Ministry of Finance

Associate members

West African Institute for Financial and Economic Management (WAIFEM)
Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)

MODIFICATION OF ARTICLE VI OF THE STATUTES

Considering that (i) in the framework of an international association it might be difficult to organize a general assembly gathering members from all places of the world if the meeting is not linked to a major event like UNCTAD Debt Management Conference and that (ii) the said conference is organized every two years, the Steering Committee thinks that, for the time being, it is not possible to comply with the Statutes that stipulate the organization of an annual general assembly.

Therefore, the Steering Committee proposes the modification of Article VI of the Statutes. New Article VI would read: "The General Assembly shall meet at least once *every two years* at such convenient place and date as may be decided by the Steering Committee."

RULES OF PROCEDURE OF THE GENERAL ASSEMBLY

The Steering Committee considered that rules should be fixed as regards to a small number of practical issues concerning the general assembly meeting, such as: Who can attend the general assembly (members, non-members)? Should elections be private or public? Which voting procedures should be applied? How is the agenda elaborated? Etc. Consequently, the Steering Committee has drafted a proposal for the general assembly rules of procedure. They do not pretend to be exhaustive and could be modified in the future according to the needs. These rules are submitted to the general assembly for discussion and approval.