

# **WORLD ASSOCIATION OF DEBT MANAGEMENT OFFICES (WADMO)**

## **Minutes of the Second General Assembly 7 December 2001, Palais des Nations, Geneva**

### ***Participants:***

*Full members*<sup>1</sup>: Bangladesh, Burkina Faso, Burundi, Gabon, Guatemala, Haiti, Honduras, Indonesia, Kyrgyz Republic, Lebanon, Mongolia, Morocco, Nigeria, Panama, Philippines, Romania, Senegal, Sudan, Togo.

*Observers*: Algeria, Bosnia and Herzegovina, Cuba, Eritrea, Ghana, Islamic Republic of Iran, Israel, Palestinian territory, United States, UNITAR.

*WADMO Secretariat*: (Mr. Philippe Straatman, Ms. H  l  ne Fabiani, DMFAS Programme)

### **1. Introductory remarks**

Mr. Philippe Straatman, Chief, DMFAS Programme at the UNCTAD Secretariat, expressed its full support to WADMO and confirmed that UNCTAD will continue to associate WADMO to the events it organizes in the area of debt management, such the Inter-regional Debt Management Conference which took place from 3 to 6 December 2001 in Geneva.

### **2. Opening Statement**

On behalf of the members of the Steering Committee, Mr. Sergio Edeza, Treasurer of the Philippines and President of WADMO, welcomed the participants to the Second General Assembly of WADMO (see list attached).

In his opening statement (see attachment), he expressed his satisfaction that WADMO managed to organize itself into a cohesive group. He briefly described what are the Association's planned activities in the short, medium and long-term: (i) information sharing through the launching of WADMO website and newsletter; (ii) strengthening linkages among members; and (iii) capacity-building through the establishment of a debt management institute and a training curriculum in debt management. He stressed the difficulties and challenges faced by debt management officers in the framework of globalization which, more and more, exposes economies to the risk of debt crisis contagion. He stated that the solutions not only lie in capacity-building, sophisticated risk management tools or in investment in human resources and information systems at the national level, but also in sharing information at the international level. By allowing countries to share information and experiences and to express their views in the field of debt management, WADMO can contribute to the elaboration of best practices in this area. Mr. Edeza concluded that, considering that efficient and effective debt management is becoming more and more imperative, the visions and objectives of WADMO as well as the collective efforts of its members can help make this world safe from financial risks.

### **3. Designation of the General Assembly secretary and adoption of the agenda**

WADMO Secretariat was designated as secretary of the meeting and the agenda was adopted.

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<sup>1</sup> *Full members absent*: Angola, Central African Republic, Chad, C  te d'Ivoire, Dominican Republic, Grenada, Guinea-Bissau, Jamaica, Jordan, Kazakhstan, Lesotho, Mauritius, Niger, Suriname, Uganda, Uzbekistan.

#### **4. Report of the Chairperson of the Steering Committee**

Mr. Fachruddin, Chairperson of the Steering Committee, reminded what are the aims and purposes of WADMO. He informed that since the first General Assembly, the Steering Committee met four times. During the last meeting held on 6 December 2001, the membership application from the Caisse Autonome d'Amortissement of Cameroon was approved and Honduras was elected vice-chairperson of the Steering Committee. He recalled that, given that the first General Assembly elected only 8 members for the Steering Committee, elections should be organized to elect the 9<sup>th</sup> missing member. He also explained the considerations that led to propose the modification of the periodicity of the General Assembly meeting. Finally, he gave a brief summary on the meeting held the day before between some members of the Steering Committee, representatives of the World Bank and from the United States General Accounting Office, during which the support these two institutions could bring as well as WADMO regional activities were discussed.

#### **5. Presentation and discussion of the proposed activities for the Association**

The President presented the short, medium and long-term activities as described in WADMO Annual Report (see attachment). Referring to point 1 of short-terms activities, the President informed that a questionnaire on debt management had been disseminated to members and that only 9 members answered. He strongly encouraged all members to fill in the questionnaire in order to allow the Steering Committee to identify members' needs and to come up with a plan of action and activities, notably at the regional level. The President opened the floor for discussion on proposed activities. Sudan representative reconfirmed the importance of meetings and the exchange of experiences at the regional level.

Taking note that there were no comments or disagreements, the President declared that the proposals on WADMO's short, medium and long-term activities as mentioned in WADMO Annual Report were adopted by the General Assembly.

#### **6. Presentation and discussion of the proposal on membership fees**

After presenting the experience of WAIPA concerning membership fees, the President explained the membership fees proposal (page 5 of WADMO Annual Report). He drew the attention on the fact that, for the time being, the Association was surviving thanks to UNCTAD's generosity and stressed the importance for the Association to gain financial independence if it wanted to pursue its activities and maintain a website that is destined to play a very important role as an information tool for members. The President opened the floor for comments and suggestions on the proposal.

Mr. Philippe Straatman confirmed that the website – which is still in the elaboration stage – will definitively be a major feature of WADMO. He invited the United States General Accounting Office representative, Mr. Jose Oyola, to express his ideas on this matter.

Mr. Oyola declared that, in his experience concerning audit agencies, a website is the most effective tool to share information as it makes it possible to find answers to all kind of questions, whether related to DMFAS, debt management or other financial issues. He emphasized that the ability to customize WADMO website to the specific needs of its members was a key issue and that such a website would be the best investment of the Association for the near future. The main advantages a website can provide to its members are mentioned below:

1. Direct access to information and libraries. WADMO website could be linked to different organizations and other selected sites where useful information on debt management, financial management, budget, public administration, cash management, etc., can be found. Another interesting feature of a website is the possibility to have a library at the members' disposal, with all documents being immediately available for free. Access to libraries on other websites, like the World Bank or INTOSAI, by establishing a link, is another advantage.

2. Direct access to expertise. Through established contacts and links, a member would be able to access experts that could provide answers to his specific questions. This feature can improve meeting effectiveness in the sense that a certain number of issues can be addressed and solved directly through the website resources and services, allowing a better allocation of time during the seminar/conference.

Mr Oyola concluded that a website is a strategic investment that can be most productive for an association like WADMO, allowing debt managers to work in a much more effective way.

The President read the proposal on membership fees and taking note that there were no comments or disagreements, he declared that the proposal was adopted by the General Assembly.

#### **Decision taken by 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.”

With regard to the payment of annual fees, Panama representative recommended that a note or reminder be sent to members, indicating all necessary details for the transfer of funds, i.e. the bank direction and the bank account number. The President indicated that WADMO Secretariat already identified a bank and that the opening of the bank account has been scheduled for the next meeting of the Steering Committee. The Steering Committee will work on the best possible procedures to facilitate the receipt of funds and on the reminders to be sent to members when necessary.

Togo representative called attention on the fact that the payment of an annual fee is not within the competence of a debt department as it is not the debt department which is a member of WADMO but the country. As such, the annual fee will have to be part of the state's budgetary expenses and be executed by the Treasury of the concerned state. The President took note of the remark and stated that fees will start to be collected only in 2003, which gives the ample time to inform countries on how to proceed with the payment. This also gives concerned institutions the necessary time to secure the required approvals for the payment.

Burundi representative asked if the annual fee should be paid in one single payment or if the possibility of payment by installments has been considered. The President answered that, in his opinion, he had no objection against installment payments provided that the total amount was paid during the year. Taking note of this issue, the President declared that the Steering Committee would draft rules on payment procedure and inform members.

Mr. Oyola commented that in the early stages, an association has to go through formal procedures, some of them being the approval of the budget proposal and the selection of audit functions to ensure external review of the budget and actual results. The President confirmed that all necessary controls will be in place in due time.

### **7. Discussion on the proposed modification of Art. VI of the Statutes**

The President presented the proposal to modify Art. VI of the Statutes and opened the floor for comments.

Togo representative asked for a more detailed explanation on the reason why the general assembly's periodicity should be changed, and whether it was because of an insufficient number of members or because of a lack of resources. Mr. Straatman answered that the main reason was a financial one (e.g. translation costs) and that, considering that WADMO was associated with the Debt Management Conference organized by UNCTAD every two years, WADMO was ensured to be able to organize its general assembly during this occasion. Likewise, the meetings of the Steering

Committee are organized in parallel with the DMFAS Advisory Group in order to facilitate the meeting of the Steering Committee at least once a year.

The General Assembly adopted the modification of Art. VI of the Statutes, which reads: “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.”

## **8. Discussion and adoption of proposed rules of procedure for the General Assembly**

Considering that the proposed rules of procedures were forwarded in advance to members, the President directly opened the floor for comments and discussion.

The President called the attention on Art. 16, explaining that inclusion of this Articles is based on the fact that the Steering Committee requires a quorum in order to legally hold its meetings and that the continuous absence of some members makes it difficult for the Steering Committee to get the quorum and to fulfil its tasks.

The General Assembly adopted the rules of procedure.

## **9. Election of an additional member and replacement of a member of the Steering Committee**

The President invited interested members to apply for the Steering Committee membership. Expressing appreciation of Nigeria interest and inputs in the work of the Steering Committee, and considering that they attended the last two Steering Committee meetings, Honduras representative proposed the election of Nigeria as member of the Steering Committee. Taking note there were no other candidates, the President proceeded to the elections and Nigeria was elected member of the Steering Committee. Nigeria representative thanked for the support in the appointment of its country as a new member of the Steering Committee.

The Chairperson of the Steering Committee reported that Lesotho, elected during the first General Assembly, was not able to attend any of the Steering Committee meetings and therefore proposed to apply the recently adopted Article 16 of the Rules of procedure of the General Assembly, concerning the replacement of a Steering Committee member.

Togo representative asked if Lesotho communicated the reasons of its absence and said it was important for the General Assembly to know the arguments of the country concerning its non-participation to the Steering Committee meetings before proceeding to its replacement. The President pointed out that Lesotho was invited to all Steering Committee meetings and received the minutes of these meetings, but Lesotho never answered the invitations and never gave any explanation for its absence. Despite correspondence sent to the Minister of Finance asking what was the position of the country concerning its function as member of the Steering Committee, the Steering Committee never received any answer. Therefore, the Steering Committee is not in a position to justify the absence of this member. Togo representative thanked the President for these clarifications and deemed that they justify the replacement of the concerned member.

The President opened the floor for nominations, specifying that only present members could be elected. The meeting was suspended in order to give time to participants to think about possible nominations. Lebanon and the Kyrgyz Republic were nominated. Morocco representative supported the nomination of Lebanon, in order to keep a balanced geographical representation.

The General Assembly, by a majority of 16 votes of present members, elected Lebanon to replace Lesotho as Steering Committee member. Lebanon representative thanked the Assembly for its election and expressed its commitment to help the Association achieving its objectives.

## **10. Other matters**

Israel representative asked what was the future vision of WADMO, specifically if WADMO is intended to be an Association of developing countries only or if it is targeting also developed countries. The President answered that WADMO is envisioned as a cooperation organization with a wider membership base, including members from all parts of the world, and not only from developing countries. With this aim, he recalled that organizations such as the World Bank, the ADB, the EBRD, etc. have been invited to the meeting. He added that the inputs that developed nations can provide in terms of debt management activities could be a very important tool for WADMO, notably regarding training activities.

Mr. Philippe Straatman stressed the importance of actively promoting WADMO to attract more debt management offices of high-income countries. To do so, the full support of present members of WADMO through the payment of membership fees will be a determining factor. He added that, in the near future, WADMO Secretariat and Steering Committee members will establish contacts with the OECD in Paris. They will also take advantage of official travels in Europe or other countries to visit debt management offices and actively promote WADMO.

The President informed that during the General Assembly three new membership applications were received, namely the Ministry of Finance of Ghana, the Central Bank of the Islamic Republic of Iran and the Central Bank of Sudan, and he welcomed the new members.

## **11. Concluding remarks**

The President expressed his thanks to Ms. H    ne Fabiani, for her active participation in the discussions of the Steering Committee, the preparation of the General Assembly documentation and the efficient organization of the General Assembly, as well as to Mr. Philippe Straatman for his continuous support to WADMO. He extended his thanks to Mr. Oyola for his current and future contributions to the Association. Finally, he expressed his wish to welcome soon Algeria and Israel in the Association as their respective representatives showed interest in joining WADMO.

The Chairperson of the Steering Committee concluded by recalling that the association will become operational only with the starting of its activities. He pointed out that the successful launching of the WADMO website and newsletter – the first planned activities – requires active members' contribution and participation.

On behalf of UNCTAD, Mr. Philippe Straatman congratulated the participants on the successful meeting and extended his invitation to the next conference on debt management organized by UNCTAD.

Before closing the meeting, the President thanked personally each WADMO member country as well as all other participants for their participation in the General Assembly meeting.