Status Report on the WHF
Status of Regional Initiatives

Payments Week 2005
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Content

A. Activities of the Western Hemisphere Payments and Securities Settlement Forum – WHF - (June 2004-June 2005)

B. Next Steps of the WHF

C. Status of other regional Initiatives:
   ● The Western Hemisphere Credit&Loan Reporting Initiative (WHCRI)
   ● The Arab Payments and Securities Settlement Initiative (API)
   ● The CIS Payments and Securities Settlement Initiative (CISPI)
A. From the Initiative to the Forum

- The Forum was formally launched in June 2003 at the WHI’s Payments Week.

- The Forum, with an enhanced role of the Working Groups and other local authorities, is now undertaking the following tasks:
  - Knowledge dissemination, including administration of web page
  - Preparation of reports on topics of regional interest
  - Country studies, update of Yellow Books and Statistical Information
A. NEW ORGANIZATION OF THE FORUM

IAC
- Chair: WB
- Secretariat: CEMLA
- BIS
- Bank of Italy
- Bank of Portugal
- Bank of Spain
- COSRA
- De Nederlansche Bank
- European Central Bank
- Federal Reserve Board
- Fed New York
- IADB
- IMF
- IOSCO
- CNMV Spain
- Swiss National Bank
- US SEC

Coordination Group

WB
CEMLA

LOCAL AUTHORITIES

Working Group
CEMLA
Working Group
COSRA

CONTINUATION OF PROJECT ACTIVITY

A. WH INITIATIVE ACTIVITIES

Phase 1 (From March 1998 to March 1999)

Preparatory Work

- Preparation of relevant documents
- Initial contacts with IAC members
- Initial contacts with countries in the Region

Workshops

Preparatory Workshop
January 1999

Meetings

IAC meeting
March 1999
A. WH INITIATIVE ACTIVITIES
Phase 2 (From March 1999 to June 2001)

Meetings
- IAC meeting November 1999
- IAC meeting January 2001

Groups
- COSRA Working Party December 1999
- CEMLA Working Group January 2001

10 Country Assessments
- Peru June 1999
- Chile December 1999
- El Salvador February 2000
- Brazil November 2000
- Mexico March 2001
- Colombia February 2001
- Argentina July 1999
- Trinidad & Tobago February 2000
- OECS-ECCB April 2000

Workshops
- Argentina July 1999
- Trinidad & Tobago February 2000
- OECS / ECCB April 2000
- Brazil November 2000
- CEMLA-WB January 2001

Tools
- CEMLA Web Page
- www.ipho-whpi.org

- Core Principles Matrix
- Securities Matrix
- WG TOR
- Working papers 1 to 4

Phase 3 (From June 2001 to June 2003)

Meetings
- IAC meeting April 2002
- IAC meeting June 2003

Groups
- COSRA Working Party October 2001
- COSRA Working Party February 2001
- CEMLA Working Group November 2001
- CEMLA Working Group April 2002
- CEMLA Working Group December 2002

Country Assessments
- Costa Rica June 2001
- The Bahamas March 2002
- Ecuador August 2002
- Netherlands Ant. December 2002
- Honduras March 2003
- Barbados 2001 (*)
- Jamaica June 2002
- Venezuela November 2002
- Dominican Republic January 2003

Workshops
- The Bahamas (CBB) May 2001
- Cartagena (Securities November 2001
- Payments Week April 2002
- Payments Week June 2003

Tools
- WHI Research Series
- Web Page
- www.ipho-whpi.org

- Core Principles Matrix
- Securities Matrix
- IMF-WB Guidance Note
- Working papers 1 to 4
- Glossaries
- Standardized Tables of Contents and Statistics
A. WH FORUM ACTIVITIES

Phase 4 (From June 2003 to present)

### Meetings
- **IAC meeting June 2004**
- **IAC meeting June 2005**
- **COSRA Meeting October 2003**
- **COSRA Meetings March/Sept 2004**
- **COSRA Meeting March 2005**
- **CEMLA Working Group June and Nov 2003**
- **CEMLA Working Group June and Oct 2004**

### Country Assessments
- Nicaragua: June 2003
- Guatemala: January 2004
- Paraguay: April 2004
- Bolivia: October 2004
- Panama: December 2004
- Uruguay: May 2005
- **Country 25!!! Upcoming**

### Workshops
- Payments Week June 2004
- Payments Week June 2005

### Ad Hoc TA
- Brazil (Selic) April 2004

### Tools
- WHI Research Series
- COSRA Meetings March/Sept 2004
- CEMLA Working Group June and Oct 2004
- Web Page www.whpaymentsforum.org
- Core Principles Matrix
- Securities Matrix
- IMF-WB Guidance Note
- Working papers 1 to 5
- Glossaries
- Standardized Tables of Contents and Statistics

### A. Activities of the Forum: Yellow Books

1. Peru (English and Spanish) 2000
2. Argentina (English and Spanish) 2000
3. Trinidad y Tobago (English and Spanish) 2000
4. El Salvador (English) 2000
5. Chile (English and Spanish) 2001
6. Colombia (English and Spanish) 2001
7. Costa Rica (English and Spanish) 2002
8. Mexico (English and Spanish) 2003
9. Ecuador (English and Spanish) 2003
10. Venezuela (English and Spanish) 2003
11. Dominican Republic (English and Spanish) 2003
12. OECS (English and Spanish) 2004
13. Brazil (English, Spanish and Portuguese) 2005
14. Guatemala (English and Spanish) 2005
15. Bolivia (English and Spanish) 2005
16. Paraguay (Spanish) 2005*
17. Uruguay (Spanish) 2005*

**Updates:** 1. Peru 2002
A. Activities of the Forum: The Annual Payments Week

- Since 2003, LAC central banks, through the regional Working Group on Payment System Issues (WGPS-LAC), select the topics for discussion (one topic per day)

- WGPS-LAC members engage in high-level discussions among them and with extra-regional experts and prepare action points to be submitted to Central Bank Governors for their consideration

- As a result of the discussions held during the 2004 Payments’ Week, a total of 17 action points were prepared in the following areas:

  - Integration and Regionalization of Securities Settlement Systems in LAC (trading, custody, settlement, role of authorities): 7 Action Points
  - Cross-Border Payments (large value and retail): 6 Action Points
  - Retail Payment Systems (innovative instruments, business, clearance and settlement circuits, role of authorities): 4 Action Points
A. Activities of the Forum: the WGPS-LAC (June 2004-June 2005)

- Next presentation by the Working Group Presidency and Secretariat

B. Future Activities of the Forum (June 2005 - 2006)

- Publication of Updates of country reports (Argentina, Chile, Trinidad and Tobago)
- Publication of country reports (Paraguay, Barbados, Uruguay)
- Beginning of second round of missions (Argentina, Chile)
- Assessments of remaining countries (e.g. Aruba, Belize, Cayman Islands, Cuba, Guyana, Haiti, Suriname)
- Further strengthening of the Forum organizational arrangements
Supporting the activity of the Working Groups

Expanding research activities (through the Research Series)

Responding to ad hoc demands for technical assistance from other countries in the Region

Implementing agreed models for training courses in coordination with IAC institutions

Coordination with COSRA activities

Preparing the Payments Week 2006

Assisting other regions in launching or managing similar efforts in the area of payment systems

Assisting other regional initiatives in LAC on other issues related to the development of financial infrastructure: the Western Hemisphere Credit&Loan Reporting Initiative
C. Status of Other Regional Initiatives

The Western Hemisphere Credit & Loan Reporting Initiative (WHCRI)

C. ORIGIN OF THE INITIATIVE

In Spring 2003, following up on the success of the WH Payments Initiative, discussions started on how to replicate the model for other areas in the financial sector.

In September 2003, LAC central bank governors gave the mandate to CEMLA to launch a regional initiative in the area of Credit&Loan Reporting.
C. The Importance of Credit & Loan Reporting Systems

- Credit & Loan Reporting Systems (CLRSs), which provide rapid access to standardized information on the past performance of borrowers, are an important institutional element for financial markets.
- Good CLRSs help to evaluate credit risk for lenders.
- Good CLRSs, especially those operated by central banks/supervisory agencies are increasingly useful for banking supervision (e.g. calculating provisioning and capital requirements following Basel II approach).
- Good CLRSs provide borrowers with an ability to create "reputation collateral" so especially small borrowers, lower-income borrowers and SMEs have an ability to obtain credit in the financial system.

C. PILLARS OF THE STRATEGY

OBJECTIVE: Assessing and recommending improvements to credit & loan reporting systems in the Hemisphere

Integration of Credit & Loan Reporting Issues
Cooperation with international organizations
Country Ownership
C. ORGANIZATION OF THE INITIATIVE

- International Consultative Committee
- CORE TEAM (CEMLA - WB)
- Regional Working Group
- FIRST Consultants
- COUNTRY TEAM
- LOCAL AUTHORITIES

COUNTRY ASSESSMENT
- Public Report
- Statistical Tables
- Glossary
- Recommendations
- Report/Action Plan

C. INITIATIVE ACTIVITIES

Phase 1 (From May 2004 to August 2004)

Preparatory Work
- Preparation of relevant documents
- Initial contacts with ICC members
- Initial contacts with countries in the Region
- Identification of consultants

Workshops
- Launch Workshop
  August 2004

Meetings
- ICC meeting
  August 2004
C. ACTIVITIES – PHASES 2-3-4

- In particular, three countries were covered in the first year of the project and results were positively evaluated in the 2005 Workshop and, eventually, the project extends to the other four countries.
- Descriptive reports ("Orange Book") for Brazil, Colombia, and Mexico are being finalized and will be available in July 2005.
- The WHCRI is now ready to be converted into a sustainable effort and other countries in the LAC region will be covered.
C. ACTIVITIES: Outcomes

- Increased awareness in the Region on credit & loan reporting issues, that will create the momentum for the implementation of comprehensive reforms

- Through the ICC and the Working Group
  - Effective diagnostics
  - Cost effective access to international experts

C. Activities: Outcomes

- Developing specific country-studies tools based on international best practices

- Identification of a set of immediate actions and timetable for each country to improve its credit & loan reporting schemes

- Improvement of information on the region’s financial infrastructure, through the “Public Reports”
C. Other Regional Initiatives

Delegates at a Payment Systems Conference in Abu-Dhabi in December 2003, agreed that the Arab Monetary Fund (AMF), the region's central banks, the World Bank, the CPSS and other international organizations should gather in a Workshop to follow up on the outcomes of the Conference and discuss the modalities to launch initiatives to harmonize and integrate Payments and Securities Settlement in the Arab Region.
Cooperation in the Arab Region

In 2004, the Governors of Arab Central Banks agreed to constitute a Regional Committee on Payment System Issues, whose Secretariat is provided by the AMF

Cooperation in the Arab Region

• The launch workshop for the Arab Payments and Securities Settlement Initiative (API) was held on March 14-15 in Bahrain

• The World Bank, the Arab Monetary Fund, and the International Monetary Fund, in cooperation with regional and international organizations lead Arab Payments and Securities Settlement Initiative
Cooperation in the Arab Region

- The Initiative will assess payments and securities settlement systems in the Countries belonging to the Arab region (e.g. Algeria, Bahrain, Egypt, Jordan, Kuwait, Iraq, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Syria, Sudan, Tunisia, United Arab Emirates, Yemen)

- Although the Arab Initiative will follow a similar infrastructure as other regional experiences, the content and interaction mechanisms will be adapted to the reality of the Region, in particular with regard to GCC Countries.

ARAB INITIATIVE ACTIVITIES

Phase 1

Preparatory Work
- Preparation of relevant documents
- Initial contacts with IAC members
- Initial contacts with countries in the Region

Workshops
- Launch Workshop March 2005

Meetings
- IAC meeting March 2005
Cooperation in the Commonwealth of Independent States

In September 2004, the World Bank in cooperation with regional and international organizations launched the Commonwealth of Independent States Payments and Securities Settlement Initiative in Almaty, Kazakhstan.
Cooperation in the Commonwealth of Independent States

• The Initiative will assess payments and securities settlement systems in the Countries belonging to the Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan) with a view to identifying strategies and action plans to improve their safety, efficiency and integrity.

Cooperation in the Commonwealth of Independent States

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<tr>
<th>IAC:</th>
<th>Core Team (World Bank)</th>
<th>Secretariat (rotating basis)</th>
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<tbody>
<tr>
<td>Int. Organizations</td>
<td></td>
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<td>Central Banks from Other Regions</td>
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<td>Securities Commission from Other Regions</td>
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COUNTRY TEAM

COUNTRY ASSESSMENT

- Public Report
- Statistical Tables
- Glossary
- Recommendations Report/Action Plan

Regional Central Banks Group

Local Authorities

Regional Securities Commissions Group
CIS INITIATIVE ACTIVITIES

Phase 1

Preparatory Work
- Preparation of relevant documents
- Initial contacts with IAC members
- Initial contacts with countries in the Region

Workshops
Preparatory Workshop September 2004

Meetings
IAC meeting September 2004

Phase 2 (From IV Quarter 2005 – IV Quarter 2007)

Meetings
Annual Payments Workshop
Annual IAC meeting

Groups
Securities Commission Group Meetings
Central Bank Group Meetings

Country Assessments
Georgia March 2005
Kazakhstan September 2005
Armenia I Q 2006
Country 7 III Q 2006
Country 9 I Q 2007
Country 11 III Q 2007

Azerbaijan June 2005
Russia November 2005
Ukraine II Q 2006
Country 8 IV Q 2006
Country 10 II Q 2007
Country 12 IV Q 2007

Workshops/Training
Country X
Country Y
Country Z
...

Tools
Web Page
Ad Hoc Policy Papers
Core Principles Matrix
Securities Matrix
WG TOR
Working papers