

# WORLD BANK SUPPORTED REGIONAL INITIATIVES ON DEVELOPMENT OF FINANCIAL INFRASTRUCTURE

## WORLD BANK PAYMENT SYSTEM DEVELOPMENT GROUP

Global Payments Week 2006

Sydney, Australia

October 3-6, 2006



# Structure of the presentation

- Overview of regional initiatives
  - Future Plans
- The WHF and the WHCRI
- The API
- The CISPI

# **Overview of Regional Initiatives**

# Organizational Structure

- A Core Team comprising Regional Authorities, the World Bank and a Regional Partner has been formed to manage the projects.
- International Advisory Councils (IAC), comprised of experts in the field from several institutions, have been established.
- Regional-defined Secretariats support the Initiative in their own region.
- Regional groups of central banks are established and support project activities and give continuity to the effort.

# Strategic Pillars

**OBJECTIVE: Assessing and recommending improvements to payments and securities settlement systems in the Regional Initiatives**



**Integration of securities and payments**

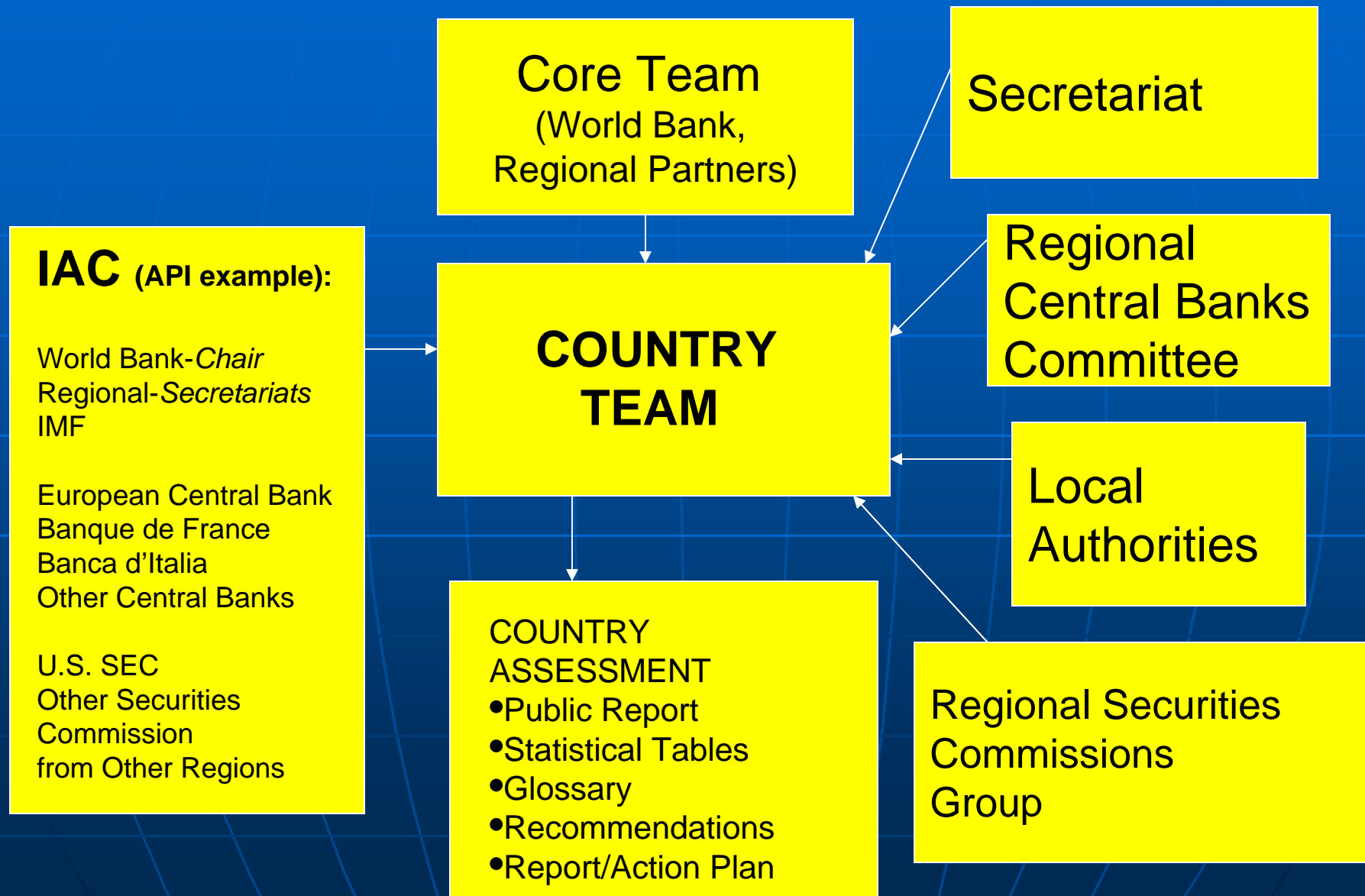


**Cooperation with international organizations**

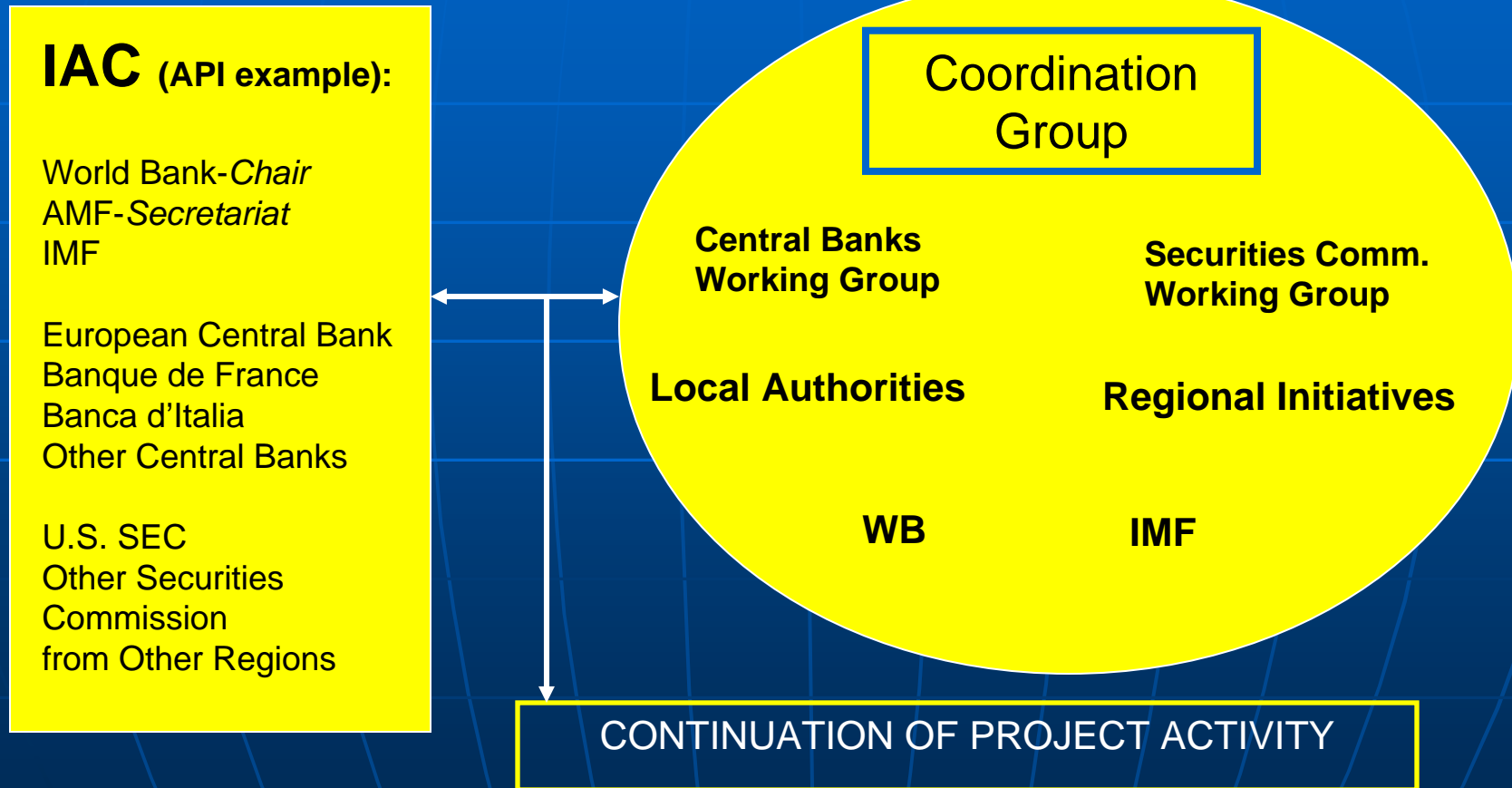


**Country Ownership**

# Project Organization



# Envisaged Organization of the Forum



# Methodology of Work

## 1. Launch Workshop

- Designed to engage all involved parties in a discussion of the project

## 2. Field Work

- Country assessments by a team of international experts in close coordination with local authorities
- Preparation of Confidential Reports identifying shortfalls and the suggested policies, strategies and actions for improvement
- Preparation of Public Descriptive Reports and Statistical Tables

## 3. Policy Documents

- Prepared together with country authorities and the IAC, on the basis of the policy issues identified by Regional relevant authorities, etc.



### 4. Web page and Publications

With the exception of Confidential Reports, all documents produced in the context of the initiatives will be edited, posted on the web page and published (hard copy), in both the country-language and English

### 5. Annual Events

Annual meetings (“Payments Week”) to be organized within the Region to discuss strategic issues, topics of interest, agree on the policy documents prepared and identify next steps

### 6. Other Workshops / Training / Ad-hoc Technical Assistance

# Contents of the Confidential Report

1. Introduction
2. General Overview
3. Payment Systems Reform
  - Context
  - Status in the Country
  - Observations
4. Legal Framework
  - Context
  - ....
5. Interbank Exchange and Settlement Circuits
  - Large Value
  - Retail
6. Government Payments
7. Foreign Exchange and Cross-Border Settlement Mechanisms
8. Interbank Money Market
9. Securities Settlement Systems
10. Role of the Central Bank in Reform and Oversight
11. Cooperation in the Payments System

# Contents of the Public Report

1. Economic and Financial Markets Context
2. Institutional Framework
3. Payment Media Used by Non-Banking Entities
4. Payments: Interbank Exchange and Settlement Circuits
  - Large Value
  - Retail
5. Securities: Instruments, Market Structure and Trading
6. Clearing and Settlement of Securities Issued by the Private Sector
7. Clearing and Settlement of Securities Issued by the Government
8. Role of the Central Bank in Payment and Settlement Systems
9. Supervision of SSS

# Main Benefits of Regional Initiatives

1. Increased awareness in the region on payment and securities clearance and settlement issues, which will create the momentum for the implementation of comprehensive reforms
2. Effective diagnostics and cost effective access to international experts, through the IAC and the Regional Committees
3. Identification of a set of immediate actions and timetable for each country to improve its national payments system
4. Relevant improvement of information on the region's financial infrastructure through the "Public Reports"

continued

5. Developing of specific country-studied tools based on international best practices
6. A more informed debate on sub-regional harmonization and integration of payment systems throughout the Region
7. Strengthening of a Secretariat and the Regional Working Groups to give continuity to the regional effort.
8. Creating a critical mass of local regional policy and operational experts
9. Introduction of important economies of scale with the FSAPs.

# Future Plans

In addition to supporting the current initiatives (see description below), the World Bank plans:

- To launch an African Initiative for Inclusive Payment Systems, to cover countries not covered by API and SADC
- To implement the CPSS-WB General Principles for International Remittance Services within the umbrella of Regional Initiatives
- To discuss possible extensions of the model to regions not currently covered (e.g. South Asia, South East Asia)
- To host a major training event in end-March 2007