

## **13th OECD Global Forum on**

# **“Public Debt Management and Emerging Government Securities Markets”**

**November 27-28, 2003  
Rome, Italy**

Venue:

**Hotel Westin Excelsior**

**Via Veneto, 125**

**Rome, Italy**

The Meeting is organised under the aegis of the OECD Working Party on Debt Management and the Multilateral Public Debt Management Network. Questions concerning the agenda can be addressed to Hans J. Blommestein, OECD [<mailto:hans.blommestein@oecd.org>] and Davide Iacovoni, Italian Treasury. [<mailto:davide.iacovoni@tesoro.it>]. Questions concerning the local organisation can be addressed to Ms Daniela Santacroce [Italian Ministry of the Economy and Finance, Via XX Settembre 97, 00187 Rome, Italy, [<mailto:daniela.santacroce@tesoro.it>], tel. ++39-06-4761.3158, fax ++39-06-4824154] and Ms Oona MCALEESE, OECD, Paris, France [<mailto:Oona.MCALEESE@oecd.org>, tel. ++33-1- 45 24 15 27].

## Forum Agenda

### November 26, Wednesday, evening

**19:30 – 21:00**

- **Icebreaker reception at the Hotel Excelsior Hall**
- **Participants Registration**
- **Cocktail**
- **Welcome by Ms Maria Cannata, Director General of Public Debt Directorate, Department of the Treasury, Italian Ministry of the Economy and Finance.**

*All sessions are chaired by Mr. Ove Sten Jensen,  
Chairman of the OECD Working Party on Public Debt Management*

### **DAY 1: November 27, Thursday Morning**

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#### *Opening*

- 9:30-9:40  
Welcoming remarks by Ms Maria Cannata, Director General of Public Debt Directorate, Department of the Treasury, Italian Ministry of the Economy and Finance
- 9:40-9:50  
Welcome by Mr William Witherell, Director for Financial, Fiscal and Enterprise Affairs, OECD
- 9:50-10:00  
Overview of Programme by Hans Blommestein, Secretary to the OECD Working Party on Public Debt Management.

## *First session*

# **“Challenges and prospects of European Public Debt Markets related to the EU enlargement”**

This session focuses on the implications of the EU enlargement for the evolution of European public debt markets in the near future as well as for Non-EU debt markets. Special attention will be paid to the development of repo facilities by the new EU countries. This discussion will be extended to the policy challenges faced by debt managers from emerging markets more in general.

### **Panel I: European Public Debt Markets in an enlarged EU**

This panel focuses on the near-term implications of EU enlargement for (1) policy convergence by accession countries; (2) European public debt markets; and (3) public debt policies pursued by the new EU members. Moreover, the presentations and discussions will also focus on the consequences for the current EU members as well as for non-EU countries. Both market and institutional angles will be covered, including market trends, risk management strategies by debt managers from accession countries, evolution of electronic trading systems, and the post-trading infrastructure. Presentations will therefore cover the following aspects. An overview of the implications of convergence in Euro area government debt markets. The impact of enlargement on the shape of European government bond electronic trading platforms and the post-trading industry.

The need for reshaping the public debt management framework of the new EU members, in order to address typical debt risks (interest rate risk, roll-over risk, currency risk, liquidity risk, credit risk, settlement risk) in such a way that is consistent with the new macro and debt environment. The implications of EU enlargement for non-EU public debt markets are reviewed as well.

- 10:00-10:20  
**Hans Blommestein** (*Head of Emerging Financial Markets Programme, OECD*),  
Overview of implications of convergence in Euro area government debt markets.
- 10:20-10:40  
**Lars Boman**, (*Deputy Head of Portfolio Management, Swedish National Debt Office*),  
Key issues in reshaping the public debt management framework of the new EU members.
- 10:40-11:00  
**Fernando Coelho**, (*Head of Issuing and Markets Unit IGCP - Portuguese Government Debt Agency*), The Portuguese experience in developing a more liquid, efficient and transparent secondary market
- 11:00 -11:20  
**Philip Brown**, (*Managing Director debt capital market, CitiGroup*), Issuance strategy alternatives for EU Accession: an international perspective.

### COFFEE BREAK (11:20-11:40)

- 11:40-12:00

Lead discussants : **András Réz** (*Government Debt Agency, Hungary*),  
**Anna von Knorring**, (*Senior Financial Advisor, State Treasury, Finland*)

- 12:00-13:00: General discussion

### CONFERENCE LUNCH (13:00-14:30)

## DAY 1: November 27, Thursday Afternoon

### Panel II: The role of repo markets for the development of secondary government bond markets of new EU members and other emerging markets

Special attention will be paid to the development of *repo* markets in the new EU countries. This discussion will be extended to the policy challenges faced by debt managers from emerging markets more in general. *Repo* markets are key institutions for enhancing the liquidity of secondary public debt markets. An effective introduction of *repo* markets by the new EU entrants is therefore of crucial importance. More in general, debt managers from all emerging markets can benefit significantly from an improved performance of *repo* trading based on selected debt instruments as it allows a better functioning secondary cash markets and greater liquidity of these debt instruments. The panel will give useful insights concerning the characteristics of the European *repo* market, including its main regulatory and operational features (as adopted by EU debt managers), the principal legal standards in force on the international financial markets as well as an overview of the related insolvency issues. The panel will also discuss primary dealers' practices on EU and non-EU government bond *repo* markets. Presentations will also include the following specific issues. The co-ordination of debt management and monetary policy, in particular the implications for the design and use of *repo* facilities so that they do not interfere with the sound management of monetary policy. The legal and technical aspects of a suitable *repo* facility for government bonds in line with international legal standards. The practices of primary dealers on *repo* markets, in particular the link(s) between their activities on primary and secondary cash markets and their strategies on the *repo* side.

- 14:30-14:55

**Denis Blenck** (*Head of the Operations Analysis Division , Directorate General Operations of the ECB*) : The *repo* market, the public debt management and the implementation of the ECB/Eurosystem monetary policy

- 14:55-15:10

**Martin Dufnell** (*UK DMO*) : Exploring the benefits of a well-functioning *repo* market.

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- 15:10-15:25  
**Jose Ramon Martinez** (*Deputy Director, Bank of Spain*) : European repo markets regulation: a necessarily and temporarily diverse "ecosystem"?
- 15:25-15:50  
**Stefano Bellani** (*European Head of Repo & Short Bonds Market Making, JPMorgan-Chase*): The Repo Market in Europe: a Market Maker point of view.
- 15:50-16:15:  
**Eddie Astatin** (*Head of Government Securities Market Department, Moscow Interbank Currency Exchange -- MICEX*): Repo and the Government Bond Market in Russia.

#### **COFFEE BREAK (16:15-16:40)**

- 16:40-17:00  
Lead discussants: **Eriks Abolins** (*Bank of Latvia*)  
**Juraj Janosik** (*National Bank of Slovakia*).
- 17:00-18:00: General discussion

#### **CONFERENCE DINNER (Details will be announced separately)**

## **DAY 2: November 28, Friday Morning**

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### ***Second session***

### ***The launch of the Multilateral Public Debt Management Network***

This part of the Forum begins with a brief presentation on the state-of-play of the Network:

9:00-9:15 *Speaker from Italian Treasury*

9:15-9:30 *Speaker from OECD*

The following two panels are formally organised by the new Multilateral Network:

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*III) The efficiency of government bonds issuance methods*

*IV) Innovations in the fixed-income sector and their use for the design of government debt instruments*

### Panel III: The efficiency of government bonds issuance methods

This panel will review recent insights in the more advanced debt markets on the various issuing procedures (auctions, syndications, non-competitive taps). Innovations in this area will be assessed. Presentations will therefore include the experience of countries concerning the different types of auctions (uniform versus multiple price), and also the question whether there is an optimal (golden) rule for auctioning bills and bonds (for example multiple price auctions for bills and single-price auctions for coupon bonds). Countries will discuss recent decisions for amending their auctioning procedures, including the underlying reasons. Also new features (in the use) of syndications will be reviewed. The panel will also assess to what extent the various conclusions and findings are relevant for emerging markets, in particular the influence of the state-of-the-market on the choice of issuance method.

- 09:30-10:00  
**Stefano Scalera** (*Head of Domestic Funding, Italian Treasury*): Government bond issuance techniques: an overview based on the Italian experience
- 10:00-10:30  
**A. Kaminski** (*Director public debt, Ministry of Finance, Poland*): Challenges for setting-up bond-issuance procedures in emerging primary markets
- 10:30-11:00  
**Boris Alekhin** (*Adviser to the Moscow Interbank Currency Exchange -- MICEX*): Russia's Issuance Policy: Still Much Work to Do.

#### COFFEE BREAK (11:00-11:30)

- 11:30-12:00  
Lead discussants: **Mr. Tong Zhang** (Director General Public Debt, Ministry of Finance, Beijing, China)  
**Sergio Edeza** (Treasurer, Bureau of the Treasury, Manila, Philippines )
- 12:00-13:00: General Discussion.

#### CONFERENCE LUNCH (13:00-14:30)

## DAY 2: November 28, Friday Afternoon

### Panel IV: Innovations in the fixed-income sector and their use for the design of government debt instruments in emerging markets

In the last decade, several innovations on fixed-income markets introduced by corporations in the United States and the EU, by supra-nationals, as well as by a number of governments from the OECD area, have allowed the development of new debt instruments markets. These debt instruments are able to better address the borrowing needs of these issuers and/or provide a better fit with the characteristics of their asset side on the basis of a shift to a more ALM-oriented approach. The panel will examine the usefulness of these new instruments for the public debt management of sovereigns from emerging markets. Presentations may cover the following instruments: inflation-linked bonds with different and new types of price indexations; callable bonds; bonds with variable coupons (for example with step-up); catastrophe (cat) bonds for sovereigns that face on a regular basis well-defined natural catastrophes with major adverse consequences for their economies.

- 14:30-15:00

**Nicola Mercusa and Aldo Romani** (*Capital Markets Department, EIB*): Innovation and Debt Management in European Perspective

- 15:00-15:30

**Chris Clegg** (*Director of Debt Capital Markets Group, Deutsche Bank*): Developments in Issuance by European Sovereigns and Supras

- 15:30-16:00

**Adi Shahaf** (*Ministry of Finance, Israel*) *Development of Index-linked Instruments*

#### COFFEE BREAK (16:00-16:30)

- 16:30-17:00

Lead discussants: **Edouard Pinot** (*French Treasury Agency*);  
**Maria Iossifova** (*Ministry of Finance, Bulgaria, to be confirmed*)

- 17:00-17:45: *General discussion*

#### ***Final session with concluding remarks***

- 17:45-18:00: *Speaker from OECD and Italian Treasury.*