



Emerging Local Bond Markets Post-Crisis: Challenges and Next Steps

June 15-16, 2010, World Bank Headquarters, J Building Auditorium (JB1-080)
701 18th Street, NW, Washington DC 20433

DAY 1 - Tuesday, June 15

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|--------------------------|--|---------------------------|
| 8:00-9:00 am | Registration and Breakfast | <i>J Auditorium lobby</i> |
| 9:00-9:15 am | Welcome Remarks
<i>Shidan Derakhshani</i> , Director, Global Capital Markets Development Department,
Financial and Private Sector Development, World Bank Group

<i>Alison Harwood</i> , Manager, Securities Markets Group, Global Capital Markets
Development Department (GCMSM), Financial and Private Sector Development, World
Bank Group | |
| 9:15-10:00 am | Keynote Address
<i>Carmen Reinhart</i> , Professor of Economics and Director, Center for International
Economics, University of Maryland | |
| 10:00-10:30 am | Coffee Break and Book Signing by <i>Carmen Reinhart</i> of her new book co-authored with
<i>Kenneth Rogoff</i> , " <i>This Time is Different: Eight Centuries of Financial Folly</i> " | |
| 10:30 am-12:30 pm | Government Bond Markets: Crisis Impact and Role in Financial
Sector Development
<i>Local currency bond markets in many emerging market countries helped stem the impact
 of the crisis, benefitting from years of market growth and strengthening. This session will
 assess the role local government bond markets played in alleviating-or exacerbating--
 the impact of the crisis, and how the crisis has affected the need for these markets going
 forward. What lessons have been learned? What are the critical areas for further
 market development? How will emerging market countries be affected by their improved
 growth prospects? What key policies are needed to help them weather the challenges
 posed by rising inflows from foreign and domestic investors? Given the post crisis
 dynamics, will government bond markets continue to support broader financial sector
 development, as reference points and building blocks that help enhance access to long-
 term financing?</i>
<u>Session Chair:</u> <i>Catiana Garcia-Kilroy</i> , Consultant, World Bank Group <ul style="list-style-type: none"> • <i>Anderson Silva</i>, Senior Debt Specialist, GCMSM, Financial and Private Sector
 Development, World Bank Group (<i>presenting a paper on "Public Debt Management
 in Emerging Markets: Has this time been different?"</i>) | |

- **Bhimantara Widyajala**, Director, Government Debt Securities, Directorate General of Debt Management, Ministry of Finance, Indonesia
- **Tolga Yucel**, Head of Domestic Financing Department, Turkish Treasury
- **Octavio Lara**, Deputy General Director of Debt Issuance, Secretaría de Hacienda y Crédito Público, México
- **Joyce Chang**, Managing Director and Global Head, Emerging Markets Research Group, J.P.Morgan Chase

12:30-2:00 pm

Lunch

Main Complex, East Dining Room

2:00-3:15 pm

Corporate Bond Markets After the Crisis: How will they change?

Corporate or non-government bond markets play a particularly vital role in providing long-term, local currency funding to key sectors of the economy including infrastructure, housing finance and increasingly to domestic Microfinance and MSME lending institutions who are seeking to diversify their financing sources and expand their lending activities. As a result of the crisis, foreign bank lending and foreign portfolio capital flows into emerging markets have been severely curtailed, with the result that, in many countries, local corporates had nowhere to turn but to the domestic debt markets. This panel will discuss the importance of access to local current bond markets for issuers in the infrastructure and housing sectors in particular and will also consider the impact of the crisis on these markets and the changes we can expect to see going forward.

Session Chair: **Tim Brennan**, Principal Financial Specialist, GCMSM, Financial and Private Sector Development, World Bank Group

- **Denis Clarke**, Chief Investment Officer, Infrastructure, IFC
- **Ade Adebajo**, Head, Africa Debt Capital Market, Standard Chartered Bank, London
- **Loic Chiquier**, Manager, Non-Bank Financial Institutions Group, Global Capital Markets Development Department, World Bank

3:15-3:30 pm

Coffee Break

J Auditorium lobby

3:30-5:00 pm

Securities Regulation Post-Crisis: More Regulation or Smarter Regulation?

Critical aspects of securities market regulation were challenged by the crisis, from regulatory scope, relevance, and supervision to issues related to incentives and excessive behavior in the securities industry. Regulatory reform is a heated debate today, with serious concerns about how to restore market trust and mitigate future crises. This panel will highlight and discuss the key regulatory issues and reform efforts. Will current and anticipated reforms adequately address the most pressing problems? What is the most optimal way to formulate regulatory and supervisory regimes in securities markets? Should emerging market countries adopt similar measures to those in the advanced markets?

Session Chair: **Clemente del Valle**, Lead Financial Specialist, GCMSM, Financial and Private Sector Development, World Bank Group

- **Tajinder Singh**, Deputy Secretary General, IOSCO
- **Jonathan Sokobin**, Co-Deputy Director, Division of Risk, Strategy and Financial Innovation, U.S. Securities and Exchange Commission
- **Guillermo Larrain**, Chairman, Emerging Markets Committee, IOSCO, and former Chairman, Superintendencia de Valores y Seguros, Chile
- **Bert Chanetsa**, Deputy Executive Officer, Investment Institutions, Financial Services Board, South Africa

5:00-6:00 pm **World Bank Group: Supporting Local Bond Markets Development**
*What is the World Bank Group doing to support development of local bond markets?
What other activities do conference participants think the WBG should support?*

6:00-7:30 pm **Cocktail Reception, J Auditorium lobby**

DAY 2 - Wednesday, June 16

8:00-8:45 am **Breakfast**

8:45-10:00 am **What is the Future of Securitization?**
Securitization was at the heart of the crisis, generating serious concerns and probing questions about its usefulness and reliability as a financial instrument. This panel will consider whether regulatory and other changes being proposed in more advanced markets are addressing the underlying securitization –related problems that helped create the crisis. How will these changes impact the securitization industry? Should emerging market countries adopt them? How do emerging market countries view the need for asset backed products today? Should a broader spectrum of asset-backed instruments be developed?

Session Chair: *Alison Harwood*

- **Friedrich Jergitsch**, Partner, Freshfields Bruckhaus Deringer LLP, Vienna
- **Javier Utria**, Director, Investments and Market Development, Titularizadora Colombiana
- **Robert Liao**, Managing Director, Securitised Products Group, Citi, London

10:00-10:15 am *Coffee Break* *J Auditorium lobby*

10:15-11:30 am **Rating Agency Reforms: Is there a Better Model?**
This latest crisis once again called into question the role of rating agencies. This panel will consider the reforms being discussed about rating agencies, whether these reforms are appropriate, and what other models are being and should be considered. Has the crisis altered the view of emerging market countries about rating agencies? Are emerging market countries reconsidering their use? How will reforms being discussed in advanced markets affect them?

Session Chair: **Patrick Conroy**, Program Director and Senior Adviser, Global Capital Markets Development Department, World Bank Group

- **Paul Coughlin**, Executive Managing Director, Standard & Poor's
- **Roopa Kudva**, Managing Director and Chief Executive Officer, CRISIL, India
- **Mahesh Kotecha**, President and Founder, Structured Credit International Corporation

11:30-12:45 pm **Investor Panel**
Many emerging market countries are becoming more attractive investment opportunities post-crisis, given their rising economic growth rates and investment ratings. This panel will discuss the investors' perspective on emerging market debt. What is happening in terms of inflows today and what is likely going forward? Which countries are likely to get money and why? What makes a domestic bond market attractive to a foreign and domestic investor?

Presenter: **Cynthia Steer**, Chief Research Strategist and Managing Director, Rogerscasey
Comments by: **Denise Simon**, Managing Director and Senior Portfolio Manager, GEM Fixed Income and Currencies, HALBIS Asset Management

12:45-1:00 pm

Closing Remarks

Alison Harwood

1:00 pm

Lunch