
Speech by Deputy OECD Secretary General Mario AMANO at the occasion of the launch of the *Centre for African Public Debt Management and Bond Markets* on

30 June 2011 in Midrand, South Africa

Mr Minister, Excellencies, Ladies and Gentlemen

It gives me great satisfaction to be at this festive event, where the South African government and the OECD launch their joint venture, **the Centre for African Public Debt Management and Bond Markets**. Our hosts, the National Treasury, the Development Bank of Southern Africa and the Johannesburg Stock Exchange, have been generous by extending their hospitality to us tonight, and I would like to express my gratitude to them.

To the OECD, South Africa is a **key partner**. Over the past decade, nearly all our Committees have worked with South Africa in one way or another. South Africa is a signatory to some of the OECD's legal instruments, such as the anti-bribery Convention. But the value of our co-operation does not only lie in our bilateral relations. Indeed, **South Africa is often the "prime mover" for OECD activities supporting the NEPAD objectives in all of Africa**. Your government's support for the NEPAD-OECD Investment Initiative has been vital. We have been partners in the African Tax Administration Forum, and in CABRI (the Collaborative African Budget Reform Initiative). We have jointly worked on African competition policy and corporate governance. It was only natural for us to form a new partnership to take on African public debt management and bond markets.

This has brought us where we are tonight. The Centre which we are launching today is **a joint venture of the National Treasury of South Africa and the OECD**. It follows the signing of an MOU by the Minister Pravin Gordhan and the OECD's Secretary General, Angel Gurría, on 25 May. This signature took place before the eyes of forty governments represented at the OECD's annual Ministerial meeting, chaired by the US Secretary of State, Ms Hillary Clinton. To us, it was a cherished event, which gave our 50th anniversary celebration an extra

sparkle. It was the vision and financial support of Minister Pravin Gordhan, and his predecessor Trevor Manuel, that have made this Centre possible. The OECD is most grateful for their unwavering support. Our sincere thanks go also to the OECD members who have provided important financial sponsorship, notably the governments of Sweden, Iceland, and France.

Creating this centre represents a landmark in our co-operation with South Africa. But it also signifies an important step in our relations with Africa more broadly. This Centre is, first of all, an **African initiative**, taken by debt managers from this continent. It builds directly on the excellent and strong co-operation in the context of the **OECD project on African Public Debt Management and Bond Markets** since its beginning in 2006. The creation of this Centre raises the profile of the Project and anchors it firmly and visibly where it belongs: in this part of the world.

If there is one thing that sets the OECD apart from other organisations, it is our Committee structure, **offering a platform to policy makers to engage with one another directly**. Our policy dialogue is frank and evidence-based, and not in a negotiating mode. When our co-operation on public debt and bond markets started, officials from South Africa and other African countries appreciated its practical significance from very early on. They noted that this is the **only dedicated forum** in this highly specialised area of public policy where African debt managers can discuss issues such as public debt management strategies, market infrastructure and operating procedures. They can do so in a practical and operational fashion, both with one another, and with their colleagues from OECD member countries. Moreover, the OECD project has helped to create an important network of African debt managers, and give them access to the OECD knowledge base. This was what has attracted African debt managers and other policy makers to this project.

The Centre will also **facilitate meetings with African market participants** such as banks, exchanges and rating agencies. This will support the development of sound market practices in the context of the execution of public debt and cash management policies. It will lead to stronger capital markets that, in turn, will reduce the cost of government borrowing, contribute to financial stability and support economic development.

The Centre will also be an **efficient clearing house to share and exchange information** on technical assistance provided by international and regional players, such as the IMF, World Bank, and African Development Bank. We expect the Centre **to play a leading role in introducing best practices** on public debt management and to spearhead improvements in the structure of African debt capital markets.

Taking a global perspective, the sovereign debt crisis in Europe demonstrates the importance of sound public debt management and strong local-currency government bond markets. This makes the work of the new Centre essential and of great policy importance. The Centre is well-placed to make major contributions to the strategic dimension of public debt management and bond market development. It can help us to assess what the crisis means for public debt management strategies and operations. In this regard, a key contribution is also being played by the OECD Working Party on Public Debt Management – a policy forum for the most senior debt management officials from all 34 OECD countries.

Mr Minister, Excellencies, Ladies and Gentlemen, as the Secretary-General of the OECD, Angel Gurría, reminds us in his most recent strategic orientations, **the “D” in the word “OECD” stands for development** and this is, therefore, a strategic priority for us. The OECD’s development strategy, to be launched in January 2012, will contribute to sustainable growth for the widest number of countries. To achieve this, we will collaborate with developing countries, share policy successes and failures, engage in mutual learning, and deepen our partnerships. The fact that African countries take initiatives such as the launch of this Centre, tells us that our development strategy can and will be a joint endeavour.

Against this backdrop we trust that this new Centre will **strengthen our already excellent working relations**. We are looking forward to working closely with the National Treasury, with our African partners, and with our sponsors, in making this joint venture an outstanding success.

Thank you for your attention!