



**WORLD BANK GROUP**

# Improving Coordination and Implementation

**John M. Wilson**  
**February 2017**

# OUTLINE

## Operation of Agencies/Institutions

- **What is the process?**
- **Who are the stakeholders, institutions?**
- **How do we define, evaluate success?**

# Drafting, Implementation Process

## Phase 1

### Legislative Phase

- Development of International Standards
- Multilateral Level

## Phase 2

### Implementing Phase

- Drafting and Implementing of National Laws and Collateral Registries
- State Level

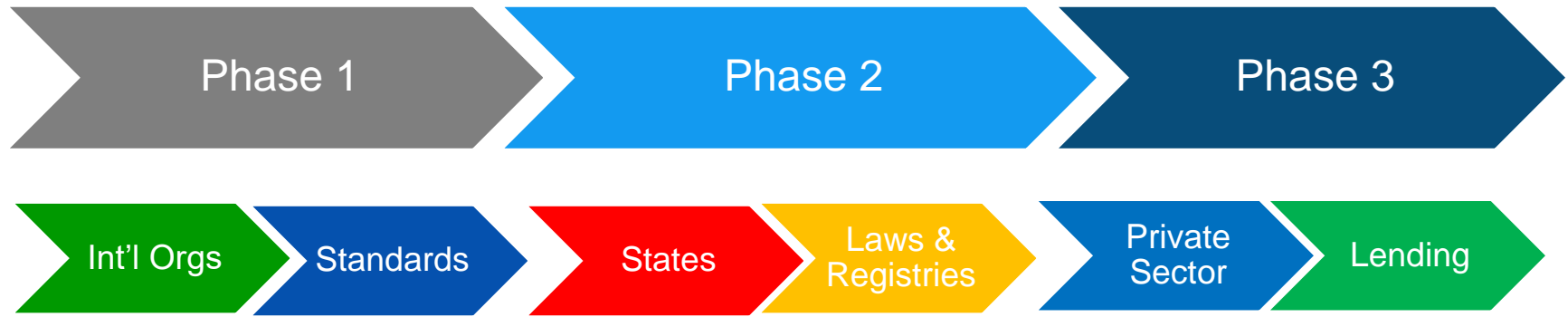
## Phase 3

### Usage Phase

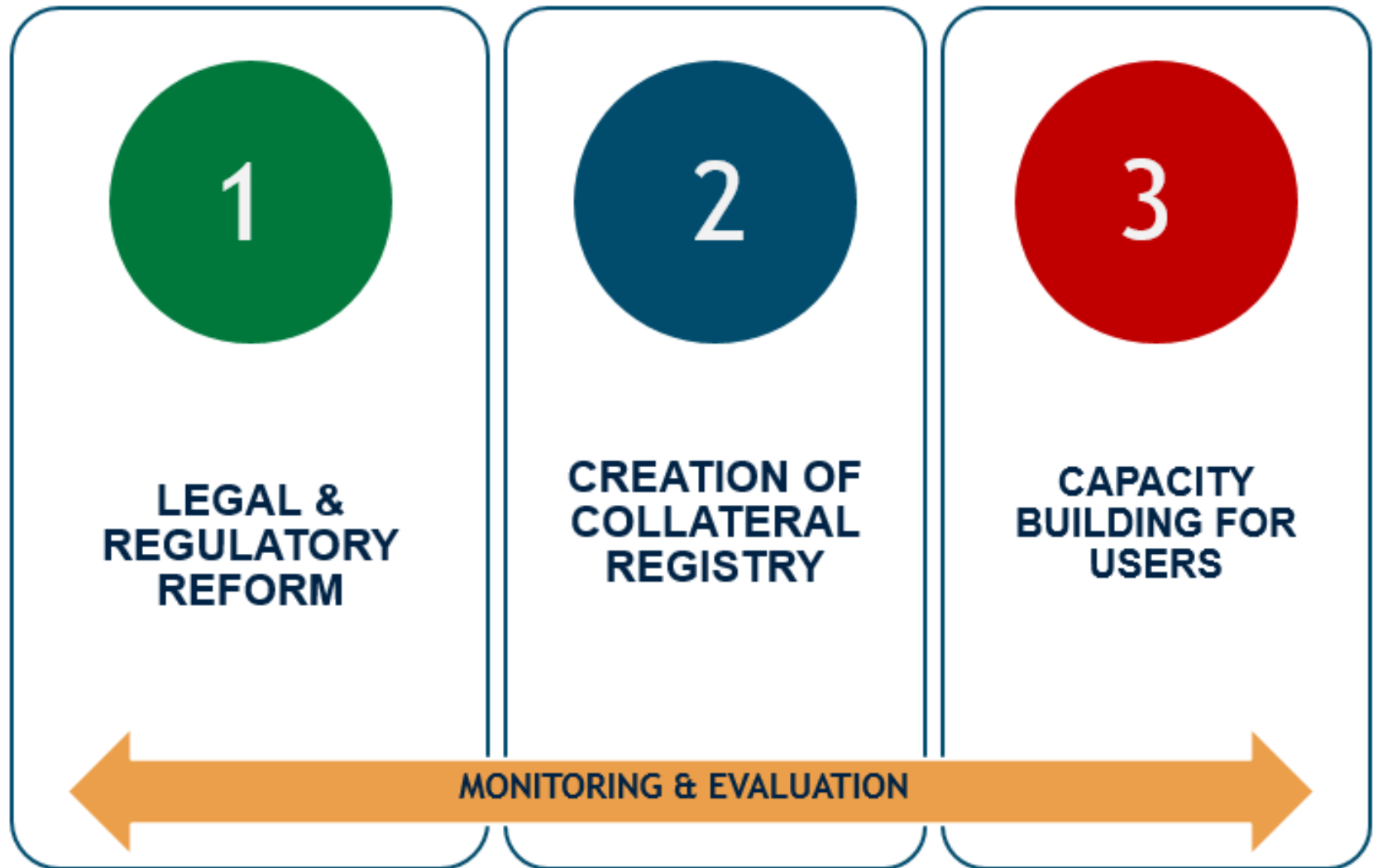
- Development and launching of new credit products
- Business Level

# Implementation Phases

THREE PHASE IMPLEMENTATION APPROACH:  
INTERGOVERNMENTAL + STATES + BANKS



# Phase Two: Reform Implementation



# Agencies, Stakeholders, Clients

## Phase 1

- Agencies: International Organizations
- Participants: State Representatives, Experts, Industry
- Clients: States



# Agencies, Stakeholders, Clients

## Phase 1

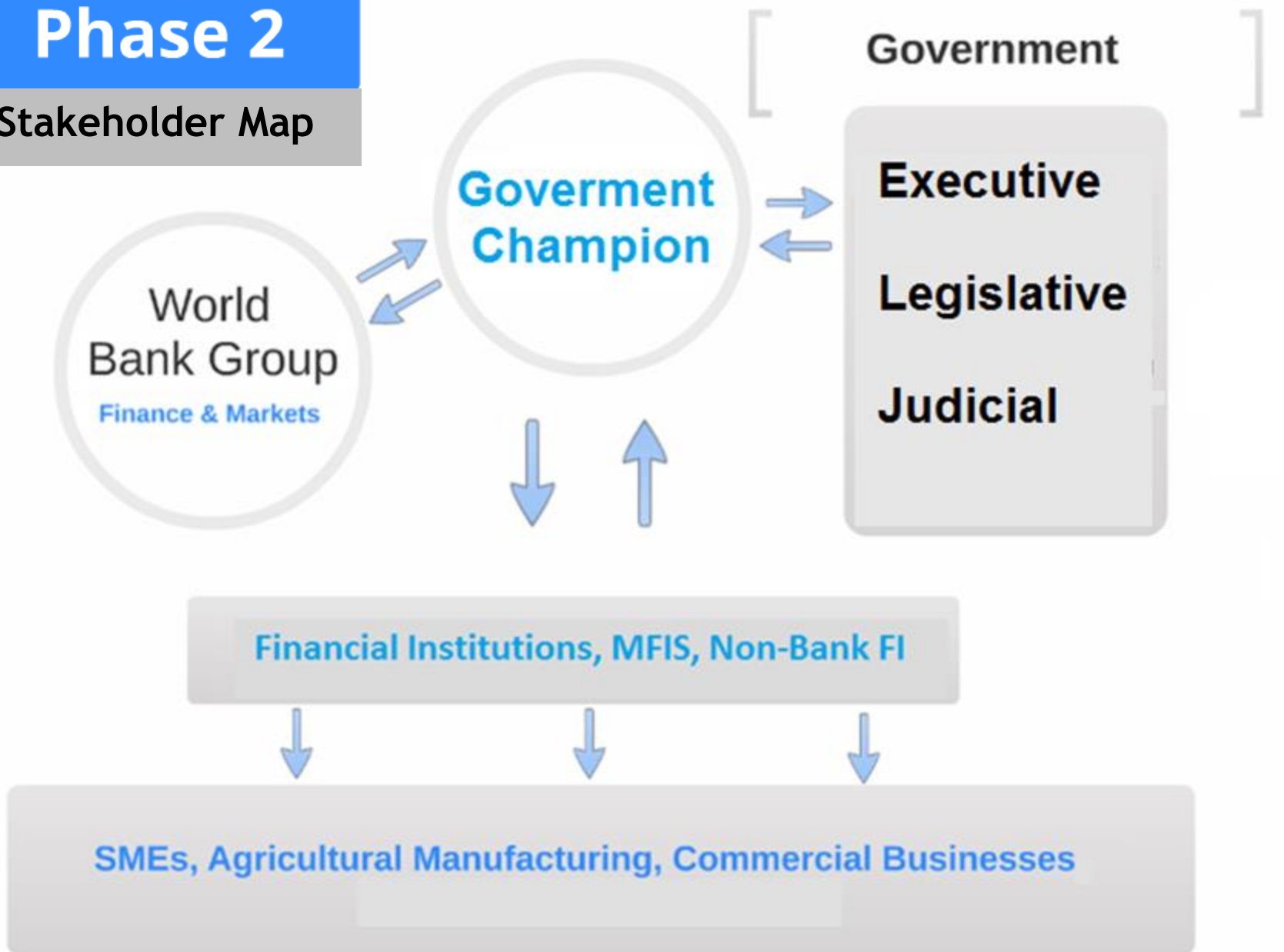
- **Agencies:**  
International Organizations
- **Participants:** State Representatives, Experts, Industry
- **Clients:** States

## Phase 2

- **Agencies:** Technical Assistance Bodies
- **Participants:** State Level

# Phase 2

## Stakeholder Map





# Agencies, Stakeholders, Clients

## Phase 1

- **Agencies:** International Organizations
- **Participants:** State Representatives, Experts, Industry
- **Clients:** States

## Phase 2

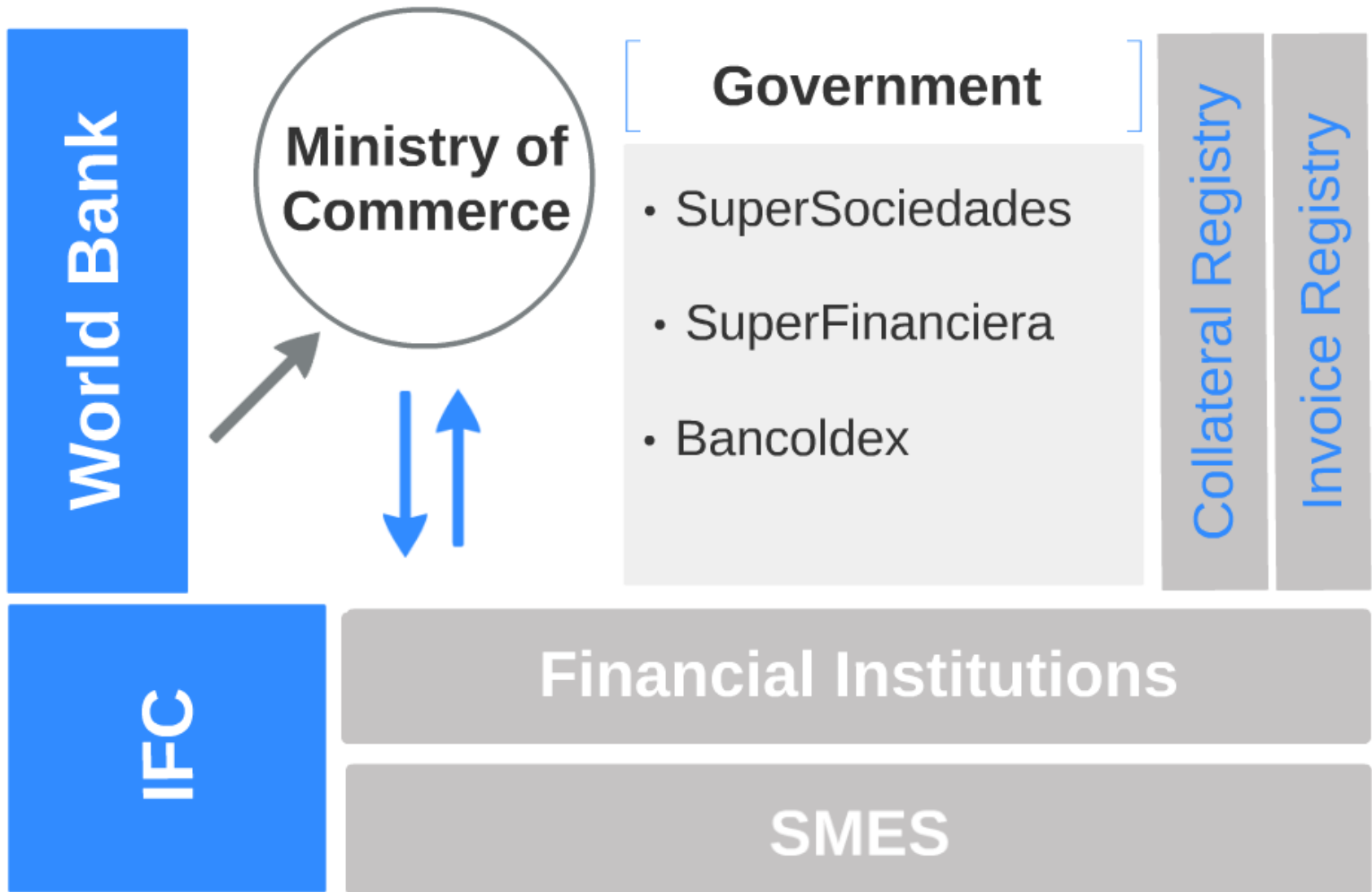
- **Agencies:** Technical Assistance Bodies
- **Participants:** State Level

## Phase 3

- **Agencies:** Advisory Assistance Bodies
- **Clients:** Lenders, Borrowers

# Phase 3

# Stakeholder Map



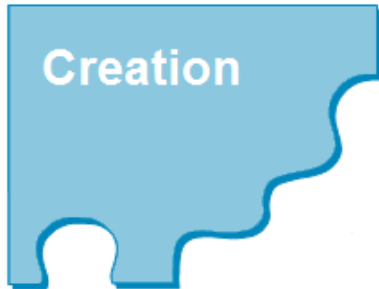
# Success, Monitoring, Evaluation

## Phase 1

- Consensus Instrument
- Unitary Device
- Functional Approach
- Best Practices
- Adopted by States



# Success, Monitoring, Evaluation



**Phase 2**

- Adaptation
- Adoption
- Best Practices
- Stakeholder Support
- Doing Business Report: Legal Rights Index

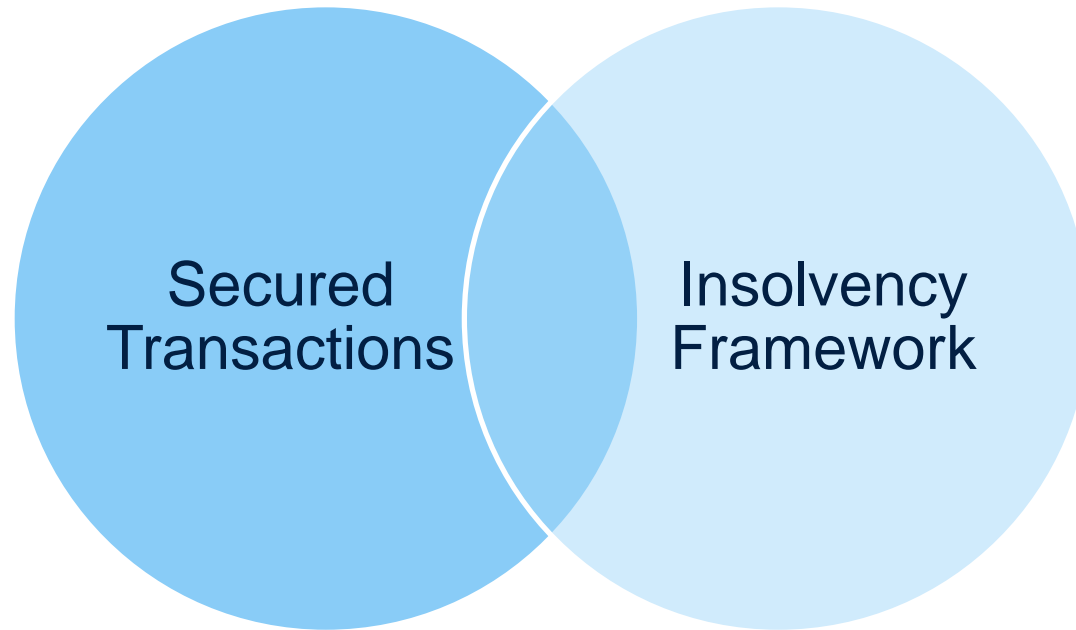


# FUNDAMENTAL ASPECTS OF A MODERN REGISTRY

1. On-line Registry
2. For all types of security interests in movables
3. Registration by creditors
4. Notice based registry (no documentation)
5. Public search available to all
6. Reasonable flat fees
7. Limited role of registrar in verification
8. Security and data back up



# Intersection: Secured Transactions & Insolvency



Priorities

Automatic Stay

Post-Commencement Financing

Rehabilitation

# Getting Credit <sup>i</sup>

Indicator

Strength of legal rights index (0-12)

Latin America & Caribbean	OECD
5	6

Strength of legal rights index (0-12)

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?

May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets?

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?

Does a notice-based collateral registry exist in which all functional equivalents can be registered?

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?

Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and/or sets a time limit for it?

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction and private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?

**Source: World Bank Doing Business Report 2017**

# Success, Monitoring, Evaluation

## Phase 1

- Consensus Instrument
- Best Practices
- Adopted by States

## Phase 2

- Adaptation
- Adoption
- Best Practices
- Stakeholder Support
- Dong Business Report: Legal Rights Index

## Phase 3

- Increased access to finance





John Wilson: [jwilson4@ifc.org](mailto:jwilson4@ifc.org)

