

FINANCIAL RESILIENCE OF LOW-INCOME COUNTRIES:

How can development lenders better protect borrowers from unsustainable debt levels on the way to net zero?

DECEMBER 14, 9:30-18:00 CET
International Energy Agency Building
9 Rue de la Fédération, Paris

AGENDA

10:00-10:15	Welcome Remarks	Carmine Di Noia <i>OECD</i>
10:15-11:00	FIRESIDE CHAT: Financing Net Zero Responsibly <i>Moderated by Ruurd Brouwer</i>	Prof. Barry Eichengreen <i>University of California, Berkeley</i> Robert-Jan Sieben, <i>Ministry of Foreign Affairs, The Netherlands</i>
11:00-12:00	Panel 1—The Interlinkages Between Public Debt Sustainability and Exposure to Currency Risk <i>Moderated by Marcus Fedder</i> Panelists will discuss the impact of currency volatility on sovereign debt sustainability, the importance of local currency (indexed) finance in protecting sovereign borrowers, and the role of MDBs in offering just financing options given their risk appetite.	<i>Featuring:</i> Philippe Guyonnet-Dupérat <i>Paris Club</i> René Karsenti <i>ICMA</i> Robert Patalano <i>OECD</i> Lucie Villa <i>Moody's</i>
12:00-12:15	The Social Costs of Sovereign Default A conversation with Clemens Graf von Luckner and Sophie Peeters <i>About the paper:</i> Relying on a new dataset of 131 sovereign defaults since 1900, as well as new econometric methods for event studies, the paper analyses the impact of defaults on social outcomes. It finds that, on average, defaults lead to a steep decline in economic output, which appears especially harmful for countries' poorest. On average, 10 years after a default, defaulters have 13% more infant deaths every year than if they had circumnavigated debt distress. And surviving infants are expected to have shorter lives: life expectancy drop to 1.5% below the counterfactual.	

12:15-13:15	Lunch	
13:15-13:30	Keynote Address: Financing de-risking at scale, finally? An opportunity with India's G20 Presidency	Arunabha Ghosh <i>Council on Energy, Environment and Water</i>
13:30-14:30	PANEL 2—Rethinking Concessional Finance to Ramp Up Sustainable Investments in Local Currency <i>Moderated by Harald Hirschhofer, TCX</i> Concessional finance is especially relevant in the context of the Paris Agreement as it can help high-impact projects get off the ground. Panelists will discuss the logic of subsidizing financing in local currency, particularly for climate purposes, and how this can make instruments like green bonds in local currency more accessible and affordable.	<i>Featuring:</i> Erica Gerretsen <i>DG INTPA, European Commission</i> Sean Kidney <i>Climate Bonds Initiative</i> Hamouda Chekir <i>Finance for Development Lab</i> Sony Kapoor <i>European University Institute</i>
14:30-14:50	Where Credit is Due: How Africa's Debt Can Be a Benefit, Not A Burden Presented by Gregory Smith <i>About the book:</i> African countries are seeking calmer capital, to raise living standards and give their economies a competitive edge. The African debt landscape has changed radically in the first two decades of the twenty-first century. Since the clean slate of extensive debt relief, states have sought new borrowing opportunities from international capital markets and emerging global powers like China. Africa's debt today is highly complex, and owed to a wider range of lenders. A new approach is needed, and could turn crisis into opportunity. Urgent action by both lenders and borrowers can reduce risk, while carefully preserving market access; and smart deployment of private finance can provide the scale of investment needed to achieve development goals and tackle the climate emergency.	
14:50-15:15	Coffee break, Room 1	
15:15-16:15	PANEL 3—Building a Currency Risk Resilient Future <i>Moderated by Fatos Koc, OECD</i> This panel explores practical steps to scale up responsible financing, and build international risk markets and capacities at Debt Management Offices to assess market risks.	<i>Featuring:</i> Anne-Laure Kiechel <i>Global Sovereign Advisory</i> Marcello Estevão <i>World Bank</i> Thordur Jonasson <i>IMF</i> Odilbek Isakov <i>Ministry of Finance, Uzbekistan</i>
16:15-16:30	Closing Remarks	Ruurd Brouwer TCX
16:30-18:00	Cocktail Reception, IEA Café	