



**Webinar co-organized by Policy Studies Institute (PSI) Ethiopia and UNCTAD**

**South-South Integration – Sharing of Policy Experiences:**

**Macroeconomic and debt policies facing the challenges of tapering**

**2 February 2022**

### **Concept Note and Programme**

#### **Background**

It is widely recognized that meeting the Sustainable Development Goals (SDGs) is inextricably linked with the process of structural transformation. The UNCTAD project “South-South Integration and the SDGs: Enhancing Structural Transformation in Key Partner Countries of the Belt and Road Initiative” identifies key policy areas in which limitations exist in government capacity in many countries, to effectively design, manage, coordinate, implement, and evaluate strategic economic interventions that are the policy levers of structural transformation. To address this shortcoming, the project aims to draw lessons from the experiences of partner countries, with a view to assisting national capacity-building.

Macroeconomic and debt policies are important policy levers for structural transformation. The past three years have made these policies more complex, as the Covid-19 pandemic has caused macroeconomic turmoil across the globe. While monetary and fiscal stimulus in advanced economies avoided a more serious economic downturn in their economies, the room for manoeuvre has been much smaller in developing countries, causing more serious macroeconomic imbalances and rapidly increasing already severe indebtedness.

There is now a debate on the recent increase in inflation, which especially in advanced economies has attained the highest rate in several decades, and on whether such elevated rates of inflation should be checked by “tapering”, i.e., a sooner and faster pace of scaling back asset purchases and hiking interest rates than policymakers first thought. Tighter monetary policy in the advanced economies would risk exacerbating an already difficult outlook for developing countries. Economic downturns in developing countries for the last decade have already been more persistent and recoveries weaker, and there is now a risk that, in a repeat of the taper tantrum of 2013, tapering will cause foreign funding to dry up, capital to flow out, currencies to depreciate, and the ability to service existing debt burdens to become ever more limited. A combination of slower growth and increased vulnerabilities could create a trade-off between supporting a weak domestic economy and safeguarding external sustainability, with adverse effects for achieving the SDGs.

## Purpose and objectives of the webinar

This event launches the country-case studies on macro-financial and debt-sustainability policies that were prepared for Ethiopia under the UNCTAD-project and discusses their findings in the context of the challenges of tapering for macroeconomic and debt policies in developing countries. It brings together policy makers and researchers from various developing countries and addresses a wide audience.

The key objectives and expected outcomes of the event are the following:

- To assess the experience of Ethiopia regarding macroeconomic and debt policies designed to foster industrialization and structural transformation.
- To discuss the challenges that tapering poses for macroeconomic and debt policies in different developing countries.
- To create an open dialogue in which member States can gain a better understanding of the key macroeconomic and debt challenges facing developing countries in the current global economic environment.

## Programme

**14:00–15:30 (Central European Time)**

February 2, 2022

**Moderator:** Ms. Penelope Hawkins, Senior Economic Affairs Officer, UNCTAD

14:00–14:10 **Introductory remarks**, Ms. Stephanie Blankenburg, Head, Debt and Development Finance Branch, Division on Globalization and Development Strategies, UNCTAD

14:10–14:20 **Keynote address:** Professor Beyene Peteros, Executive Director, PSI

14:20–15:05 **Panel discussion**

Mr. Firew Bekele Woldeyes, Lead Researcher, PSI Ethiopia

Mr. Andualem Telaye Mengistu, Senior Researcher, PSI Ethiopia

Mr. Abdul Manap Pulugan, Indonesia

Mr. Kenneth de Zilwa, Sri Lanka

15:05–15:25 **Open discussion**

15:25–15:30 **Concluding remarks**, PSI

The event will take place through zoom. Online registration is required.

**Registration for the webinar:**

<https://us02web.zoom.us/meeting/register/tZcpduiopjwiGdYmQXb4gjnMtCSBHW4uFvdL>