
Briefing to member states

**Intergovernmental Group of
Experts
on
Financing for Development**

12 October 2018

Introduction

- Nariobi Maafikiano § 100 (r)
 - IGE FfD "as reflected in the Addis Ababa Action Agenda and within the work of UNCTAD"
 - Policy focus on "core financial resource mobilization for sustainable development action areas in section A-C, E and F of chapter II of the AAAA"
- At the first IGE FfD, held on 8-10 November 2017, member states agreed the topic for the 2nd session as:
Debt and Debt Sustainability and interrelated systemic issues –
to be held on 7-9 November 2018

Introduction

- Agreed guiding questions for this second session of the IGE FfD are as follows [TD/B/EFD/1/3, Annex I, p. 17]
 - How can current debt vulnerabilities in developing countries be mitigated and developing country sovereign debt and financial crises be prevented?
 - How can sovereign financing, both external and domestic, be leveraged successfully for sustainable development in future?
 - What institutional, policy and regulatory changes are required at the international level to ensure that global economic governance structures better support the use of responsible financing, by borrowers and lenders, for sustainable development?
 - How can existing frameworks and tools be improved to ensure effective, fair and transparent sovereign debt crisis resolution

Introduction

- **AAAA Area II.E**

- AAAA (II.E) recognizes the need to assist developing countries in attaining long-term debt sustainability “through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate.” (§ 94).
- AAAA calls for strengthening analytical tools to assess developing country debt sustainability and highlights the need for improved public data availability and debt management capacities to ensure adequate risk management (§§ 95 and 96),
- ...in addition to enhanced cooperation between creditors and debtors to prevent debt crises and to resolve these effectively once they occur (§§ 97 – 100).
- Emphasis also placed on the growing complexity of debt contracts and financing instruments in different currency denominations (§ 100 and 101) and on the plight of environmentally vulnerable developing countries facing particular challenges to their debt sustainability in the context of frequent natural disasters (§ 102).

Introduction

- **AAAA Area II.F**
 - AAAA (II.F) recalls the importance attributed to global economic governance reform in Monterrey and to a UN leadership role in promoting economic development, recognizing the importance of policy coherence in this context (§§ 103 and 113).
 - AAAA acknowledges the need to strengthen international financial regulation, mitigate financial and commodity price volatility (§§ 104-05, 107, 109-10) and commits to “broadening and strengthening the voice and participation of developing countries in international economic decision-making and norm-setting and global economic governance.” (§ 106)

Debt and Debt Sustainability: Programme

Wednesday, 07 November 2018

**10:00-
11:00**

Opening Plenary Session of the IGE

Welcoming Remarks

Presentation of the Note by the Secretariat

Item 1 - Election of Officers

Item 2 - Adoption of the agenda and organization of work

**11:00 -
13:00**

Session 1: New debt vulnerabilities in developing countries - the current landscape

Rising debt burdens, the increasing complexity of debt compositions, the emergence of new lenders and new debt instruments, the blurring of boundaries between domestic and external debt, as well as rising levels of corporate indebtedness have profoundly changed the landscape of developing country debt and associated vulnerabilities. This session will set the stage by analysing the main drivers of emerging debt crises and by considering the core challenges developing countries as well as the international community face to mitigate these.

Followed by: Interactive Discussion

Debt and Debt Sustainability: Programme

Wednesday, 07 November

15.00 -
17:00

Session 2: Systemic risk & global drivers of developing country financial vulnerabilities: Reform needs & policy options

High volatility of private capital flows is a core cause of rising incidences of developing country financial and debt distress. The volatility and instability of international capital flows has increased in the decade since the global financial crisis. What reforms of the international monetary system could facilitate a more development-friendly global macroeconomic and financial environment? Which priorities should the international policy agenda for development finance set to ensure that developing country debt sustainability remains compatible with the SDGs?

Expert intervention followed by interactive discussion

17:00 -
18:00

Negotiations Draft Agreed Policy Recommendations

Debt and Debt Sustainability : Programme

Thursday, 08 November

10:00-10:15	Chair/Vice chair of the Intergovernmental Group of Experts on Financing for Development: Summary of day 1
10:15-12:00	Session 3: The middle income trap, environmental vulnerability and sovereign debt sustainability: Experiences and policy responses As the AAAA recognizes explicitly, middle-income developing countries “still face significant challenges to achieve sustainable development.” [§71]. Many Small Island Developing States (SIDS) that are mostly also middle-income countries face additional constraints arising from their environmental vulnerability and their increasingly regular exposure to natural disasters. This session will discuss the specific challenges faced by this group of developing countries and the policy responses required to meet those challenges. <i>Expert intervention followed by interactive discussion</i>
12:00 – 13:00	Negotiations: Draft Agreed Policy Recommendations

Debt and Debt Sustainability: Programme

Thursday, 08 November

14:00 – 15:00	Negotiations: Draft Agreed Policy Recommendations
15:00-17:00	Session 4: Debt vulnerabilities in least developed economies: domestic and multilateral policy priorities and options Least developed economies are particularly hard hit by rising debt as their levels of resilience are generally lower and their shallow domestic financial systems are the least well equipped to withstand exogenous financial shocks. This panel reviews and discusses both domestic and international policy options for least developed economies and examines makes a debt sustainable or unsustainable in any given economic context? <i>Expert intervention followed by interactive discussion</i>
17:00 – 18:00	Negotiations: Draft Agreed Policy Recommendations

Debt and Debt Sustainability: Programme

Friday, 09 November

10:00-10:15	Chair/Vice chair of the Intergovernmental Group of Experts on Financing for Development: Summary of day 2
10:15-12:30	<p>Session 5: Resolving unsustainable debt burdens: Beyond business as usual?</p> <p>Once a sovereign debt becomes clearly unsustainable, the effective, transparent and fair resolution of debt restructurings is essential to contain immediate economic crises as well as negative developmental impacts in the longer run. While there is general consensus that the current system to is highly fragmented and costly, there is less agreement on whether alternatives should be primarily market-based or more strongly institutionally anchored. This session reviews core problems and challenges affecting current sovereign debt restructurings and looks at a range of avenues toward substantive improvements of the status quo.</p> <p><i>Expert intervention followed by interactive discussion</i></p>
12:30 – 13:00	<p>Report on debt-related discussions and initiatives in the HRC</p> <p>Juan Pablo Bohoslavsky, Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights</p>

Debt and Debt Sustainability: Programme

Friday, 09 November

14:00 – 15:00 – **Negotiations: Draft Agreed Policy Recommendations**

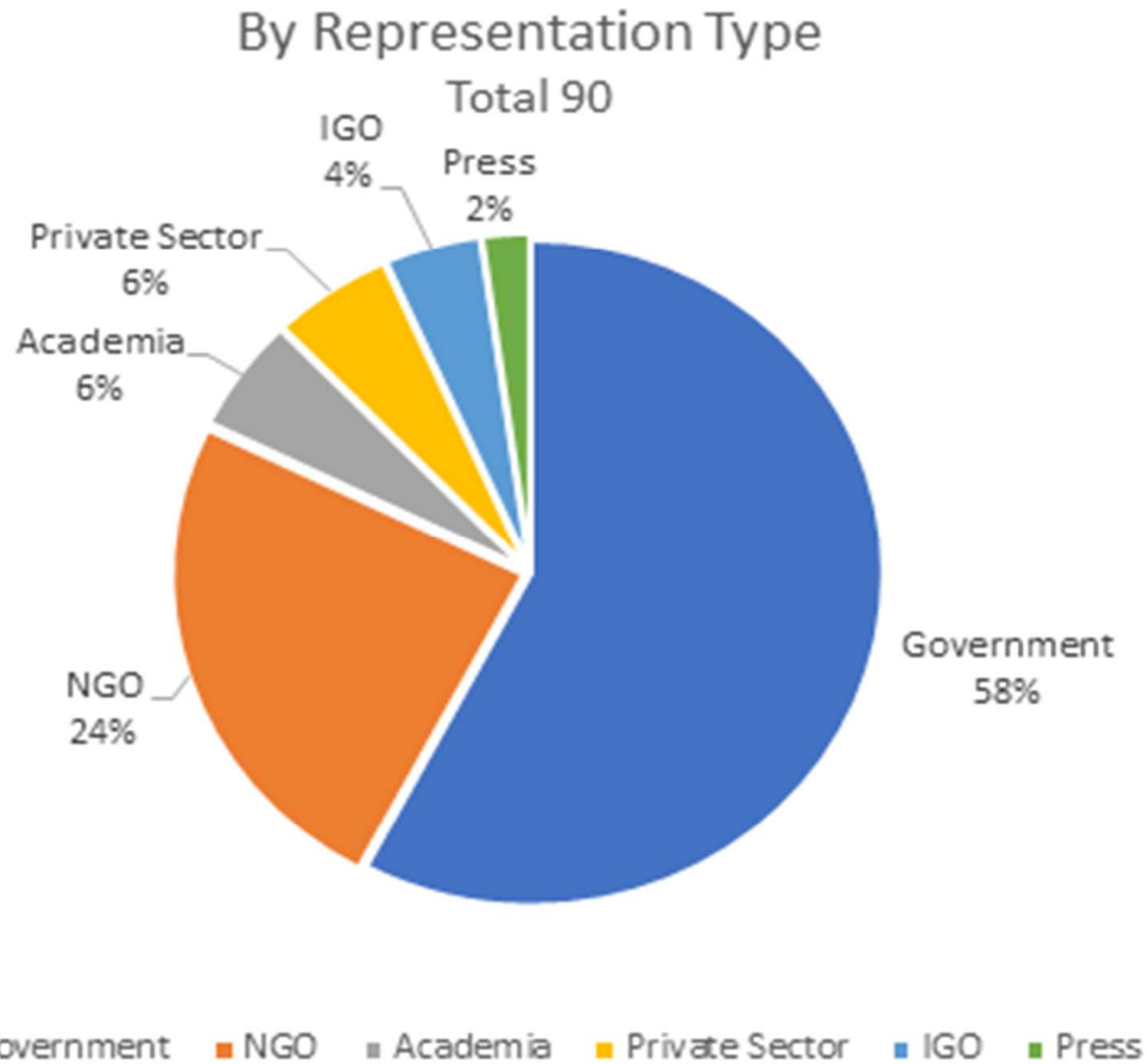
15:00-18:00 – **Closing plenary session**

Draft agreed policy recommendations – final discussion

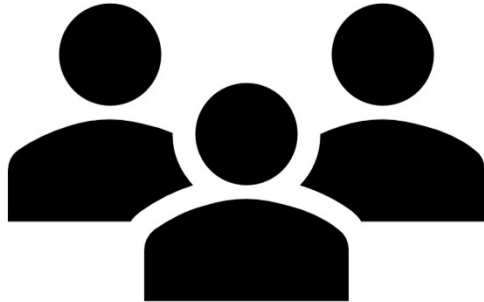
Item 4 – Adoption of the report of the meeting

- Agreed policy recommendations
- Report of the Intergovernmental Group of Experts on Financing for Development
- Topics and guiding questions for the second session of the Intergovernmental Group of Experts on Financing for Development

Registrations to date



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**Registrations processed carefully:
Either nominated by a permanent
mission OR
Accredited NGO**

**Rejections – inappropriate NGOs
or mistaken registration or not
nominated**

Registrants	Accepted	Pending	Countries represented	Rejected
90	58	12	28	20

Second Session: Side events

13:30 – 15:00	Book Launch: The rise and fall of Global Microcredit – Development, Debt and Disillusion
18:00 – 19:30	Cocktail Reception Hosted by Friedrich Ebert Stiftung

Second IGE FfD

REMEMBER TO REGISTER

- Detailed work programme: 10 days before the meeting
- Background papers available IGE FfD website
- Invited experts: Academia, civil society, private sector, ex-government officials/representatives, other UN organisations and international organisations