

AGENDA

Preston Auditorium
Washington, DC
October 30-31, 2008

DEBT RELIEF & BEYOND

A World Bank Conference on Debt & Development

DAY I - October 30, 2008

8:00 AM Registration and Breakfast

9:00 AM Opening Remarks

- Graeme Wheeler, Managing Director, World Bank

PART I: PAST ACHIEVEMENTS

9:15 AM Session I: Debt Relief to Low-Income Countries in Retrospect

Chair:

- Carlos A. Primo Braga, Director, Economic Policy and Debt Department, World Bank

Panelists:

- Mark Allen, Special Advisor to the Managing Director, IMF
- Mario Delgado, Deputy Director, Ministry of Finance, Spain
- Mario J. Flores, Former Minister of Finance and Vice-President of the Central Bank, Nicaragua
- Matthew Martin, Director, Debt Relief International, UK

Commentator:

- Jesus Crespo Cuaresma, Professor of Economics, Department of Economics, University of Innsbruck

The instruments employed by the international community to provide debt relief to Low-Income Countries (LICs) have evolved over the years. The amount of debt relief has increased and the scope of related initiatives was expanded, not only addressing the reduction of financial obligations, but also becoming an important instrument in the pursuit of the Millennium Development Goals (MDGs). This session intends to discuss to what extent debt relief to LICs has met its objectives.

10:45 AM Coffee Break

11:00 AM Session II: Access to Finance - Before and After HIPC

Chair:

- Yaga Venugopal Reddy, Former Governor, Reserve Bank of India, India

Panelists:

- Ernest Aryeetey, Director, Institute of Statistical, Social and Economic Research, Ghana
- Donald Hanna, Managing Director, Citigroup, USA
- Akihiko Nishio, Director, Financial Resource Mobilization Department, World Bank
- John Williamson, Senior Fellow, Peterson Institute for International Economics, USA

Commentator:

- Mansoor Dailami, Manager, Development Prospects Group, World Bank

Helping LICs access more financial resources (from both the official and private sectors) was one of the main rationales of debt reduction initiatives before the HIPC Initiative. This session focuses on the connections between HIPC debt relief and overall official transfers, and the access to capital markets of LICs that have benefited from HIPC debt relief.

12:30 PM Lunch

Opening Remarks:

- Danny Leipziger, Vice President & Head of Network, Poverty Reduction and Economic Management, World Bank

Keynote Address: “The Role of Borrowing and Debt in Development”

- Anne Krueger, Professor of International Economics, Johns Hopkins School of Advanced International Studies, USA

2:00 PM **Session III: Debt Sustainability**

Chair:

- Reza Moghadam, Director, Strategy, Policy, and Review Department, IMF

Panelists:

- Nicole Bollen, Chair of Working Party on Export Credits and Credit Guarantees, OECD
- Homi Kharas, Senior Fellow, Brookings Institution, USA
- M. Govinda Rao, Director, National Institute of Public Finance and Policy, India
- Mark Roland Thomas, Lead Economist, Europe and Central Asia, World Bank

Commentator:

- Sudhir Shetty, Sector Director, Poverty Reduction and Economic Management, Africa Region, World Bank

Debt sustainability analysis has become an increasingly important tool for LICs, not only monitoring their debt situation, but also determining the terms of financing provided by major creditors. Still, important challenges remain in assessing the link between debt and growth.

3:30 PM Coffee Break

PART II: CHALLENGES AHEAD

3:45 PM **Session IV: Responsible Lending**

Chair:

- Henrik Harboe, Deputy Director General, Ministry of Foreign Affairs, Norway

Panelists:

- Shantayanan Devarajan, Chief Economist, Africa Region, World Bank
- Michael Kremer, Gates Professor of Developing Societies, Department of Economics, Harvard University, USA
- Ajata Mediratta, Senior Managing Director, Greylock, USA
- Alex Wilks, Director, European Network on Debt and Development, Belgium

Commentator:

- Abraham Nwankwo, Director-General, Debt Management Office, Nigeria

The last years have seen an increasing interest in the definition and implementation of principles of responsible lending as expressed in the G8’s Responsible Lending Charter, the Equator Principles and Eurodad’s Charter on Responsible Financing. This session intends to discuss the responsible lending agenda and the related debate on “illegitimate debt” and to explore possible avenues for future research in this area.

5:30 PM Reception

DAY II - October 31, 2008

8:30 AM *Breakfast*

9:00 AM Session V: Debt Relief in Fragile States

Chair:

- Frans Baan, Head, Economic Governance and Budget Support Unit, European Commission

Panelists:

- Augustin Fosu, Deputy Director, UN University-WIDER, Finland
- Rick N. Houenipwela, Former Governor of Central Bank, Solomon Islands
- Sally Taylor, Deputy Director and Head of International Financial Institutions Department, DFID, UK
- Mark Weisbrot, Co-Director, Center for Economic and Policy Research, USA

Commentator:

- Raymond Gilpin, Associate Vice President, United States Institute of Peace, USA

Despite major efforts by the international community, debt relief has not been delivered to all eligible HIPCs. Challenges in these remaining HIPCs are substantial. This session looks at how to assist these fragile states, drawing lessons from past HIPC experiences.

10:30 AM *Coffee Break*

10:45 AM Session VI: Debt Management

Chair:

- Michel Mordasini, Executive Director, World Bank

Panelists:

- Phillip Anderson, Senior Manager, Banking and Debt Management Department, World Bank
- John B. Chambers, Managing Director, Standard and Poor's, USA
- Udaibir S. Das, Division Chief, Monetary and Capital Markets Department's, IMF
- Juan Antonio Morales, Dean of the Faculty of Economic and Financial Services, Universidad Católica Boliviana, Bolivia

Commentator:

- M. Govinda Rao, Director, National Institute of Public Finance and Policy, India

Debt relief from the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) has significantly reduced the debt burden in many LICs. This has opened new opportunities to access non-traditional sources of financing. New sources of finance in turn have reinforced the need for effective public debt management, especially in LICs often lacking a coherent framework to fully assess the related costs and risks of new financing. What needs to be done to put such a framework in place so that LICs 'avoid expensive mistakes' as they tap these new sources of finance? This session will explore approaches to improve debt management in LICs, including enhancing cooperation among current providers of technical assistance in this area.

12:30 PM Lunch

Presentation of Debt Management Facility (DMF) for LICs

- Carlos A. Primo Braga, Director, Economic Policy and Debt Department, World Bank

2:00 PM **Session VII: The Road Ahead**

Chair:

- Danny Leipziger, Vice President & Head of Network, Poverty Reduction and Economic Management, World Bank

Panelists:

- Nancy Birdsall, President, Center for Global Development, USA
- Eliana A. Cardoso, Professor of Economics, Fundação Getúlio Vargas, Brazil
- Antoinette Monsio Sayeh, Director, African Department, IMF
- Hung Q. Tran, Senior Director, Capital Markets and Emerging Markets Policy, Institute of International Finance, USA

Commentator:

- Werner Baer, Professor of Economics, University of Illinois, USA

High oil and food prices could lead in some developing countries to additional indebtedness. Moreover, financial resources accumulated by emerging market economies with large current account surpluses and oil producers may lead to substantial capital flows to developing countries. Going forward, this could impose additional challenges on developing countries to balance financing their development, while at the same time keeping their debt at sustainable levels. A new cycle of financial crises may not only enhance the benefits from creditor coordination, but also reopen the debate about the costs and benefits of an international bankruptcy regime.

3:30 PM **Concluding Remarks**

- Danny Leipziger, Vice President & Head of Network, Poverty Reduction and Economic Management, World Bank