

2016 ECOSOC Forum on Financing for Development follow-up

Round Table D

Debt and systemic issues

Wednesday, 20 April 2016, 9 - 11 AM, Trusteeship Council Chamber, United Nations, New York

Tentative Program

- Chair:** H.E. Mr. Héctor Alejandro Palma Cerna (Honduras), Vice-President of ECOSOC
- Moderator:** Mr. José Antonio Ocampo, Professor and Director of the Economic and Political Development Concentration, School of International and Public Affairs, Columbia University

Debt

- Panellists:** Mr. Alister Smith, Executive Director for Antigua and Barbuda, Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Guyana, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines, World Bank Group
Ms. Stephanie Blankenburg, Head, Debt and Development Finance Branch, Division on Globalization and Development Strategies, United Nations Conference on Trade and Development (UNCTAD)
- Lead Discussant:** Mr. Lee C. Buchheit, Partner, Cleary, Gottlieb Steen & Hamilton, LLP

Systemic issues

- Panellist:** Mr. Min Zhu, Deputy Managing Director, International Monetary Fund (IMF) (*will also intervene on debt issues*)
- Lead Discussant:** Ms. Jo Marie Griesgraber, Executive Director, New Rules for Global Finance Coalition
- (followed by informal exchange of views among participants)

Background Note

The objective of this round table is to: (1) take stock of commitments and action items in Action Areas E (Debt and debt sustainability) and F (Systemic issues) of the Addis Ababa Action Agenda (the Addis Agenda) and the related means of implementation (MoIs) of the Sustainable Development Goals (SDGs); (2) review early actions taken towards implementation of the relevant provisions, as well as voluntary initiatives put forward at the Third International Conference on Financing for Development (Addis Ababa, Ethiopia, 13-16 July 2015); (3) identify obstacles and bottlenecks that impede policy action; and (4) discuss the monitoring and assessment framework, building on the report of the Inter-agency Task Force (IATF) on Financing for Development.

Action Area E: Debt and debt sustainability

Borrowing, both by Governments and private entities, is an important tool for financing investment critical to achieving sustainable development, as well as for covering short-term imbalances between revenues and expenditures. Government borrowing can also allow fiscal policy to play a countercyclical role over economic cycles. However, high debt burdens can impede growth and sustainable development. Prudent debt management, along with effective resolution when crises occur, are thus essential to sustainable development.

Action Area F: Addressing systemic issues

The Addis Agenda reiterates the Monterrey Consensus' emphasis on institutional structures and governance of the international financial architecture. It reflects the broadening of the 2030 Agenda for Sustainable Development to encompass policy coherence among the economic, social and environmental dimensions of sustainable development. It also expresses a need to strengthen the United Nations' leadership role in promoting development.

The Addis Agenda contains a range of policy commitments for action in the above areas. Chapters 2E and 2F of the IATF report (<http://www.un.org/esa/ffd/wp-content/uploads/2016/03/2016-IATF-Chapter2E.pdf> and <http://www.un.org/esa/ffd/wp-content/uploads/2016/03/2016-IATF-Chapter2F.pdf>), respectively, organize these commitments by thematic clusters and present proposals for monitoring their implementation in the future years. The main findings of the report are highlighted in the Note by the Secretary-General on Monitoring commitments and actions in the Addis Ababa Action Agenda on Financing for Development (E/FFDF/2016/1).

Guiding questions

Debt:

- 1. What next steps would Member States like to take in order to move towards global consensus on guidelines for debtor and creditor responsibilities in borrowing by and lending to sovereigns? What role can the Forum for Financing for Development and the IATF play?*
- 2. Member States agreed that this Forum should consider how to improve sovereign debt restructuring (A/RES/70/190). What role should this Forum play in this respect? What improvement is needed in the existing data and databases to help Member States with addressing relevant risks?*
- 3. Problems with creditor coordination and hold-out creditors complicate debt restructurings within bond issues as well as across classes of debt. What legislative actions to prevent disruptions have been taken or are being contemplated in Member States with legal systems relevant for international bond sovereign issuance? How can the IATF assist with work on sharing of experiences and tracking of policy developments?*

Systemic issues:

- 1. What innovations in global economic governance arrangements might be needed to overcome obstacles to reform and ensure the voice and participation of affected countries and people in policy making?*
- 2. How have Member States sought to promote policy coherence for sustainable development across their Governments' domestic policies and in relation to international systems? What are the priorities of Member States with regard to changes to international organisations' policies and practices to ensure policy coherence? What role can the Forum on Financing for Development play?*
- 3. What are the priorities of Member States for more effective management and coordination of cross-border finance to mitigate the pro-cyclical behaviour of international capital flows and reorient them towards long-term sustainable development investment? How can regulatory reforms proceed quickly enough to tackle existing and emergent risks while also ensuring sufficient finance for investment priorities?*