



European Stability Mechanism



4th High-Level RFA Dialogue

AGENDA

16 October 2019

1777 F Street, Washington, D.C.

Introduction

This is the fourth consecutive year that the ASEAN+3 Macroeconomic Research Office (AMRO), the European Stability Mechanism (ESM), and the Latin American Reserve Fund (FLAR) have organised the High-level dialogue among Regional Financing Arrangements (RFAs) and the International Monetary Fund (IMF). The dialogue aims at providing a regular framework for the top officials of the participating institutions to discuss policy issues related to the strengthening of the Global Financial Safety Net (GFSN), with a special focus on the role of RFAs, the cooperation among them, and their interaction with the IMF.

At their last meeting in October 2018 in Bali, Indonesia, the heads of RFAs discussed and endorsed a paper co-authored by staff members from six RFAs, entitled *IMF-RFA collaboration: motives, state of play, and way forward*. This joint work, inspired by the 2017 IMF policy paper on IMF-RFA collaboration, sheds light on the existing working relationship between the global and regional layers of the safety net, and suggests further avenues to enhance cooperation.

Since then, RFA staff members have developed a work plan to follow up on the joint paper's recommendations, identifying six areas that can benefit from enhanced collaboration between RFAs and the IMF. Each of the six RFAs is tasked with developing an area of collaboration with the inputs from the rest of the group and the IMF. The Arab

Monetary Fund (AMF) is organising the work on the technical assistance missions in RFAs' member states. AMRO, the surveillance unit of the Chiang Mai Initiative Multilateralisation (CMIM), is leading the work on macroeconomic consultation in non-crisis times. Leveraging on its unique dual mandate, the Eurasian Fund for Stabilisation and Development (EFSD) is coordinating reflections on programme design with a focus on the balance between short-term macroeconomic stabilisation and long-term development goals. The European Commission aims at extracting best practices from the current communication strategies used by RFAs and the IMF both in non-crisis and crisis times. The ESM is examining potential complementarities between the IMF's and RFAs' toolkits. Finally, FLAR is reflecting on the potential training programmes that RFAs can benefit from among themselves and jointly from the IMF.

This follow-up work has involved significant effort from all RFAs, including also the Central Bank of Brazil on behalf of the BRICS Contingent Reserve Arrangement (CRA). All RFAs have been very engaged in designing their own work while also providing insightful input to the other workstreams. The joint effort epitomises once again the strong willingness of RFAs to work together as a group and to seek best practices from each other's experience. The RFAs have also significantly benefitted from input and support from IMF colleagues on all six topics.

The High-level dialogue of this year will thus build upon the input from the six working groups on the follow-up to the 2018 joint staff paper. Wherever possible, the heads of institutions will discuss the contributions received and provide their reflections on how to fine-tune or operationalise the policy proposals made by staff members. In some other areas where staff members may need additional time to formulate recommendations, the heads are invited to provide high-level guidelines for staff members to further develop their technical assessments.

The format of the event remains the same as in previous years. It will be a closed-door event for the heads of RFAs, the IMF, and the invited institutions. The head of delegation plus his/her deputy will sit at the main table for discussions; accompanying staff members (normally two per institution) are also welcome to attend.

Participating heads of institutions:

Abdulrahman Al Hamidy, Director General Chairman of the Board, Arab Monetary Fund (AMF)

Fernanda Feitosa Nechio, Deputy Governor, Central Bank of Brazil, on behalf of BRICS Contingent Reserve Arrangement (BRICS CRA)

Chantavarn Sucharitakul, Co-chair of Chiang Mai Initiative Multilateralisation (CMIM)

Yun Liu, Co-chair of Chiang Mai Initiative Multilateralisation (CMIM)

Toshinori Doi, Director, ASEAN+3 Macroeconomic Research Office (AMRO)

Andrey Shirokov, Managing Director, Eurasian Fund for Stabilization and Development (EFSD)

Declan Costello, Deputy Director-General for Economic and Financial Affairs, European Commission (EC)

Klaus Regling, Managing Director, European Stability Mechanism (ESM)

Carlos Giraldo, Chief Economist, Latin American Reserve Fund (FLAR)

Guillaume Chabert, Co-chair of the G20 International Financial Architecture Working Group (G20 IFAWG)

Jung-In Youn, on behalf of Co-chair of the G20 International Financial Architecture Working Group (G20 IFAWG)

Martin Mühleisen, Director, Strategy, Policy and Review Department, International Monetary Fund (IMF)

SCHEDULE

- 7:45 – 8:30** **Registration**
Registration desk in the 2nd floor reception area
Breakfast
Heads of delegations: 7th floor reception area
Delegates: 2nd floor reception area
- 8:30 – 9:00** **Introductory session**
Rockefeller-Peterson Room
- 9:00 – 9:50** **Roundtable 1: Recent developments of RFAs and potential risks in their respective regions**
Rockefeller-Peterson Room
- 9:50 – 11:00** **Roundtable 2: Enhancing IMF-RFA cooperation in non-crisis times: technical assistance, surveillance, and training**
Rockefeller-Peterson Room
- 11:00 – 11:30** **Family photo and coffee break**
2nd floor reception area
- 11:30 – 12:40** **Roundtable 3: From peace- to crisis-time collaboration: reflections on RFAs' communication strategies, toolkit, and programme design**
Rockefeller-Peterson Room
- 12:40 – 12:45** **Conclusion**
Rockefeller-Peterson Room

DETAILED AGENDA

7:45 – 8:30

Registration

Registration desk in the 2nd floor reception area

Breakfast

Heads of delegations: 7th floor reception area

Delegates: 2nd floor reception area

INTRODUCTORY SESSION

VENUE: Rockefeller-Peterson Room

On behalf of the three organisers, the ESM Managing Director will open the dialogue with welcome remarks. The IMF Managing Director kindly agreed to give introductory remarks followed by a short exchange of views with the participating institutions.

The co-chairs of the G20 International Financial Architecture (IFA) Working Group are then invited to update all participants on the IFA Working Group's work plan to follow up on the recommendations of the Eminent Persons Group (EPG), in particular on the strengthening of the Global Financial Safety Net. The co-chairs are encouraged to share their views on how RFAs could contribute to the IFA Working Group's deliverables related to the EPG Report's second chapter, on bringing together the fragmented global financial safety net.

8:30 – 8:35

Welcome remarks: **Klaus Regling**, Managing Director, ESM

8:35 – 8:45

Introductory remarks and short exchange of views: **Kristalina Georgieva**, Managing Director of the International Monetary Fund

8:50 – 9:00

Introductory remarks: **Guillaume Chabert**, co-chair of the G20 IFA Working Group

POLICY ROUNDTABLES

VENUE: Rockefeller-Peterson Room

This year's three policy roundtables are organised around two pillars. The first roundtable will allow the participating RFAs to update each other on their recent developments. The second and third roundtable will provide an occasion for the RFAs and the IMF to discuss collaboration issues based on the technical findings and recommendations from staff members' work as a follow-up to the joint staff paper of 2018. Roundtable 2 will mainly focus on IMF-RFA cooperation in non-crisis times and Roundtable 3 will concentrate on other collaboration issues, mostly in crisis times.

Roundtable 1: Recent RFA developments and potential risks in their respective regions

In this session, RFAs will have a *tour de table* to report on their activities and developments since October 2018. The topics include but are not limited to: economic surveillance activities and imminent challenges in different regions, newly granted financial assistance programmes and/or the state of play of existing programmes, and institutional developments, etc.

9:00 – 9:50

- Chair and moderator: **Toshinori Doi**, Director, AMRO
- *Tour de table* among RFAs to report their recent developments (*up to 7 minutes per RFA*)

Instructions for preparation

- Each RFA is expected to make a short presentation on its recent developments and any emerging risks or challenges it has identified in its region.
- Interventions will follow the alphabetical order of the institutions. PowerPoint presentations are possible but not encouraged.

Roundtable 2: Enhancing IMF-RFA cooperation in non-crisis times: technical assistance, surveillance, and training

Close cooperation between RFAs and the IMF during calm periods is crucial for dealing with potential future financial turmoil. The institutions should especially use tranquil times to develop institutional strengths, member states' capacity building, and economic surveillance. The AMF, AMRO, and FLAR have led the work in these areas in order to boost collaboration between the IMF and RFAs and among RFAs in non-crisis times. This roundtable is dedicated to a discussion of the findings, policy recommendations, and remaining questions on these issues. The AMF, AMRO, and FLAR will each give a short presentation on their work followed by a group discussion.

9:50 – 11:00

- Chair and moderator: **Carlos Giraldo**, Chief Economist, FLAR
- AMF, AMRO, and FLAR to report on the main findings, proposals, and questions from their respective working groups (*5-8 minutes each*)
- Group discussion (*50 minutes*)

Instructions for preparation:

- AMF will report on the findings, proposals, and questions on technical assistance missions in joint member states.
- AMRO will present the findings, proposals, and questions on macroeconomic surveillance.
- FLAR will present the findings, proposals, and questions on training and institutional capacity building.
- The responsible RFA should prepare a two-page note on its particular topic and circulate it to the group beforehand.
- All participants are invited to contribute to the group discussion with a focus on: (i) feedback on the workstreams; (ii) discussions on potential recommendations and ways forward; and (iii) guidelines for future work. The IMF's views and suggestions are especially welcome.

11:00 – 11:30 Family photo and coffee break

2nd floor reception area

Roundtable 3: From peace- to crisis-time collaboration: reflections on RFAs' communication strategies, toolkits, and programme design

Given their crisis prevention and resolution mandate, it is also of primary importance for RFAs and the IMF to further explore complementarities in terms of their lending policies, tools, and programme design when their joint forces are necessary to deal with future crises. Smooth and effective communication channels, which should be developed and well-maintained in tranquil times, play a crucial role to equip the institutions with sufficient knowledge of each other, and enable timely and accurate assessments of crises and financial assistance requests. This roundtable is dedicated to a discussion of the findings, policy recommendations, and remaining questions on these issues. The European Commission, the ESM, and EFSD will each give a short presentation on their work followed by a group discussion.

11:30 – 12:40

- Chair and moderator: **Klaus Regling**, Managing Director, ESM
- EC, ESM, and EFSD to report on the main findings, proposals and questions on their respective working groups (*5-8 minutes each*)
- Group discussion (50 minutes)

Instructions for preparation:

- EC will present the findings, proposals, and questions on communication strategies
- ESM will present the findings, proposals, and questions on instrument complementarities
- EFSD will present the findings, proposals, and questions on the nexus between macroeconomic stability and development objectives
- The responsible RFA should prepare a two-page note on its particular topic and circulate it to the group beforehand.
- All participants are invited to contribute to the group discussion with a focus on: (i) feedback on the workstreams; (ii) discussions on potential recommendations and ways forward; and (iii) guidelines for future work. The IMF's views and suggestions are especially welcome.

CONCLUDING SESSION

VENUE: Rockefeller-Peterson Room

12:40 – 12:45

- Chair and moderator: **Toshinori Doi**, Director, AMRO
- Conclusion and adoption of the joint statement