



Inter-American Development Bank (IDB)
Vice Presidency for Sectors and Knowledge
Research Department – Regional Policy Dialogue

AGENDA

XXXIII MEETING OF THE NETWORK OF CENTRAL BANKS AND FINANCE MINISTRIES

April 14-15, 2011

IDB Headquarters, Enrique V. Iglesias Conference Center, Room CR2
1330 New York Avenue, N.W., Washington, DC 20577

THURSDAY – APRIL 14, 2011

8:30AM – 1:00PM LAC/G20 INITIATIVE (Closed IDB Meeting with LAC Country Officials)

8:30am – 9:00am Registrations and Coffee

9:00am – 9:15am Opening Luis Alberto Moreno, President IDB

9:15am – 10:00am **THE ROLE OF EMERGING ECONOMIES IN THE G20**
While sharing global concerns, emerging economies also need to preserve and foster their economic development. If one size does not fit all, how can cooperation between emerging and advanced economies in the G20 be adapted to suit different concerns and capacities?

Leader: Eduardo Fernández-Arias, IDB

Speaker: [Dani Rodrik](#), Harvard University

10:00am – 11:00am **NEW WORLD, NEW IDEAS? THE FRENCH AGENDA AND BEYOND**
How can the issues in the French agenda be tackled? How is Mexico's agenda shaping up? Ideas for activities of the LAC/G20 Initiative.

Leader: [Eduardo Levy-Yeyati](#), UTDT ([Paper](#))

Speakers: Jorge Carrera, Argentina
Luiz Pereira, Brazil
Gerardo Rodríguez, Mexico

11:00am – 11:15am **COFFEE BREAK**

11:15am – 12:00pm **COMMODITY PRICES AS A G20 CONCERN**
What are the factors underlying high and volatile commodity prices: demand, supply, financial? If excessive, how should the G20 tackle each factor?

Leader: Eduardo Fernández-Arias, IDB

Speaker: [Jorge Carrera](#), Central Bank, Argentina ([Background material](#))

Discussant: [Hernando Vargas](#), Central Bank, Colombia
([Additional Background Material](#))

12:00pm – 12:45pm **FINANCIAL REFORM AND MACRO PRUDENTIAL REGULATION: WHERE IS LAC?**

Leader: Eduardo Levy-Yeyati, UTDT

Speaker: [Andrew Powell](#), IDB

Discussant: [Pascual O 'Dogherty](#), Central Bank, Mexico (V/C)

THURSDAY – APRIL 14, 2011

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1:00PM-7:30PM PLENARY

1:00pm – 2:45pm

LUNCHEON ADDRESS (7th Floor – Executive Dining Rooms)

TITLE: THE G20 UNDER FRENCH LEADERSHIP

Host: Eduardo Lora, IDB

Keynote Speaker: [Benoit Coeuré](#), Deputy Director General of the French Treasury

3:00pm – 4:00pm

GLOBAL OUTLOOK

Are peripheral European and US fiscal imbalances global ticking bombs? How long can China's pulling and emerging economies grow at fifth gear speed? How sustainable are booming commodity prices? Is the world rebalancing to a "new normal" or persevering with unsustainable imbalances? If the post-crisis landing is smooth, how long will it take advanced economies to normalize and the world to settle on a new normal? How will the global economic environment for emerging economies change when the global recovery phase ends? How will the new normal differ from pre-crisis?

Moderator: José Dario Uribe, Central Bank of Colombia

Speakers: [Jorg Decressin](#), IMF

Jeromin Zettelmeyer, European Bank for Reconstruction and Development

Michael Gavin, Barclays Capital

4:00pm – 5:00pm

REGIONAL OUTLOOK: THE DEVELOPMENT CHALLENGES

How does current uneven global recovery leading to easy financing, booming commodity prices and dual world growth, impact the region? What are the development challenges and opportunities going forward, taking into account current trends and the new normal to which the global economy may converge? Are commodity prices unsustainable; is there a risk of Dutch Disease? How can countries devise development policies to position for the new normal?

Moderator: Eduardo Lora, IDB

Speaker: [Ernesto Talvi](#), CERES ([Background material](#))

Discussant: Augusto de la Torre, World Bank

Mauricio Mesquita Moreira, IDB

5:00pm – 5:30pm

COFFEE BREAK

5:30pm – 7:00pm

REGIONAL OUTLOOK: THE CURRENT MACROECONOMIC CHALLENGES

External conditions pose a number of macroeconomic risks for exchange rate overvaluation, credit overextension, overheating and inflation. What are the most appropriate fiscal and monetary policies to deal with these risks? What is the proper role of controls on capital inflows and on domestic credit and leverage? How should the portfolio of instruments be structured?

Moderator: Eduardo Fernández-Arias, IDB

Speakers: Rodrigo Valdés, IMF

[Andrew Powell](#), IDB

[Alejandro Micco](#), Universidad de Chile

[Eduardo Levy-Yeyati](#), UTDT

7:00pm – 7:30pm

RECEPTION – (Room CR2)

8:30am – 9:00am Coffee

9:00am – 10:45am **MODIFIED INFLATION TARGETTING (MIT)**

Volatile commodity prices imply that strict targeting of aggregate inflation indexes may destabilize other prices, perhaps pushing towards deflation, and cause more harm than good. Recent experience in the global great recession was a reminder that there are legitimate policy objectives for monetary policy towards reducing the output gap beyond inflation concerns; had inflation not been so subdued, the need for stimulative policies would have presented a challenge to IT purists in the same way that it was a challenge to fiscal sustainability hawks. Capital inflows in the current recovery phase present a formidable challenge to IT regimes unwilling to accept exchange rate appreciation. May IT, or more generally inflation-centered monetary regimes, become victims of their own success and lose part of their luster as inflation is tamed and inflation expectations are brought under control? If so, what's next? What should be in the Central Bank's objective function and what in its tool box?

Moderator: Eduardo Borensztein, IDB

Speakers [Ignacio Hernando](#), Bank of Spain ([Background material](#))
[Ricardo Hausmann](#), Harvard University and
Roberto Rigobón, MIT

Discussion Panel: Carlos Hamilton Araujo, Central Bank, Brazil
Luis Óscar Herrera, Central Bank, Chile
Alessandro Rebucci, IDB ([Background material](#))

10:45am – 11:15am **COFFEE BREAK**

11:15am – 12:45pm **IS FISCAL POLICY DOING ITS JOB?**

Has fiscal policy expansion during the crisis retrenched? Is it doing its job to cool down the economy and help stressed monetary policy as output gaps are filled in countries enjoying a favorable external economic environment? Are countries whose fiscal revenue is strongly associated with high commodity prices saving the transitory component of their increase according to appropriate prudential guidelines? Is fiscal policy adjusting in countries facing a persistent deterioration in their external environment and/or overindebted? If not, what are the impediments for fiscal discipline and the policy implications to address them?

Moderator: Alejandro Izquierdo, IDB

Country Panel: [Marcio Brito Holland](#), Finance Ministry, Brazil
[Oscar Llamosas](#), Finance Ministry, Paraguay
[Ovidio Reyes](#), Finance Ministry, Nicaragua
[William Chong](#), Finance Ministry, Honduras

Country Roundtable

1:00pm – 2:30pm **WORKING LUNCH** (Room Las Americas, 7th Floor)
(LAC Network Members Only)

NEWS FROM THE G20 MEETINGS IN WASHINGTON

Speaker: LAC3 Representative



POLICY SEMINAR

Sponsored by the Inter-American Development Bank and the World Bank



OPEN TO THE PUBLIC** [PRIOR REGISTRATION REQUIRED](#)

LATIN AMERICA AGAINST THE TIDE: MACROECONOMIC POLICY RESPONSES TO CAPITAL INFLOWS AND CURRENCY APPRECIATION

Friday April 15th From 3:00pm To 5:30pm
IDB Headquarters: 1300 New York Ave., NW, Washington, DC 20577
ROOM ANDRES BELLO 9th Floor

The event is on the web www.livestream.com/LACagainstthetide

3:00 PM WELCOME AND INTRODUCTION

Pamela Cox, WB
Luis Alberto Moreno, IDB

3:15 PM PANEL ONE: VIEWS FROM WASHINGTON

Moderator: Augusto de la Torre, WB

Panelists: [Jonathan Ostry](#), IMF
[Mikis Hadjimichael](#), IIF
[Arvind Subramanian](#), PIIE

4:15 PM COFFEE BREAK

4:30 PM PANEL TWO: VIEWS FROM THE TRENCHES

Moderator: Eduardo Fernández-Arias, IDB

Panelists: Alexandre Tombini, Central Bank of Brazil
Subir Gokarn, Reserve Bank, India
Julio Velarde, Central Bank of Peru
Stanley Fischer, Central Bank of Israel