

XXXVI MEETING OF THE NETWORK OF CENTRAL BANKS AND FINANCE MINISTRIES

1330 New York Ave., N.W., Washington, DC
Enrique V. Iglesias Conference Center, Room CR2

DRAFT AGENDA

www.iadb.org/macro

Monday, November 12, 2012

9:30

Coffee and Light Breakfast

Welcome Remarks: Luis Alberto Moreno, President (IDB)

10:00 – 11:15

Session 1. Global Outlook

How likely is it that Europe will be able to stabilize and convincingly avert a full-blown debt and banking crisis or euro break-up? How vulnerable is the fledgling recovery in the U.S. to European bad news? Will the U.S. avoid the fiscal cliff and put its act together after the election before it is forced into recession? Is there a risk that China slows down more significantly for domestic reasons? Compared to the Great Recession of four years ago, how much less able and ready are the G20 and the US Fed to counteract a possible global recession? Would we see greater trade protectionism this time around?

Chair:

Luis Alberto Moreno (IDB)

Panel:

Jorg Decressin (IMF)

Vincent Reinhart (Morgan Stanley)

Marcel Fratzscher (ECB)

Nicholas Lardy (Peterson Institute)

11:15 – 12:45

Session 2. European Crises and Latin American Risks

European current crises are complex and are putting European cooperation to the test. They involve not only financial instability and a growth slowdown but also questions with regards to structural weaknesses and long-term competitiveness. They are somewhat reminiscent of Latin American crises concerning excessive debt, banking vulnerability, sudden stops and growth collapse. To what extent is the Latin American experience applicable to analyze European crises and think through their likely evolution? Will European institutions be able to lead euro-zone crisis countries to recovery or a Latin American style collapse is likely, possibly engulfing the whole European Union? What are the risks that the European crises pose to Latin America?

Chair:

José Juan Ruiz (IDB)

Panel:

Nicolás Veron (Peterson Institute)

Uri Dadush (Carnegie Endowment)

Eduardo Cavallo (IDB)

Sonsoles Gallego (Bank of Spain)

1:00 – 2:45

Luncheon Address (7th Floor – Executive Dining Rooms)

Title:

Global outlook after the dust settles

Host:

Luis Alberto Moreno, President, IDB

Speaker:

Fred Bergsten (Peterson Institute for International Economics)

3:00 – 5:00

Session 3. Regional Outlook

What are the Region's strengths and vulnerabilities going forward? There is ample uncertainty about the global outlook, whose various scenarios may call for different mixes of monetary and fiscal policies. How should the policy mix in Latin American countries be calibrated depending on their circumstances while uncertainty is not resolved?

Chair:

Speakers:

Discussants;

Policy Maker Panel:

Ernesto Talvi (Brookings Institute and CERES)

Luis Cubeddu (IMF)

Augusto de la Torre (WB)

José Juan Ruiz (IDB)

PM1

PM2

PM3

5:00 – 5:30

Coffee Break

LAC/G20 Initiative Plenary Meeting

www.iadb.org/g20

5:30 – 6:00

Item 1: New Developments in G20

New work and debates since previous meeting

Argentina

Brazil

Mexico

6:00–6:30

Item 2: A Latin American perspective on G20 issues

Consultation on G20 issues of special relevance for Latin American countries and how can the IDB help to advance them.

6:30-6:45

Item 3: The Mexican G20 Presidency

Lessons learned

Mexico

6:45 -7:30

Cocktail Reception

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8:45 Coffee and Light Breakfast

9:00 – 10:30 Session 4. International Reserves as Self-Insurance: How Much is Too Much?

What are the precautionary benefits of Central Banks holding international reserves (i.e. safe and liquid foreign assets); how would they be used and how to size them to the risks the country faces? What are the risks likely to be covered by the stock of reserves and how to assess their size and likelihood? Is there a case for additional reserves holding to endogenously diminish risks? What are the financial costs of reserves holding? How to balance benefits and costs to arrive at optimal or target holdings? Is there a case for a portfolio approach to reserves holdings concerning their safety and liquidity to match the characteristics of the risks faced at minimum cost?

Chair:
Speaker: Umberto Della Mea (Central Bank Uruguay)
Expert Panel: Joshua Aizenman (UC Santa Cruz)
 Alejandro Izquierdo (IDB)
 Olivier Jeanne (Johns Hopkins)

10:30 – 11:00 Coffee Break

11:00 – 12:30 Session 5. Reserves Pooling in lieu of Self-Insurance

International cooperation to deliver liquidity when needed would diminish the need for own international reserves if it is a good substitute. How credible and unconditional cooperation needs to be in order to be valuable as a substitute for own reserves? What is the scope for regional reserve pooling for economizing own reserves taking into account the risk correlations across countries? How could a broader and more leveraged FLAR structure reserve services and governance to become a substantial part of the optimal reserve portfolio of members? As an alternative, what are the pros and cons of a network of reserve swaps across countries in the region?

Chair: Alberto Bolanos (Central Bank of Costa Rica)*
Speakers: Daniel Titelman (CEPAL)
 Manuel Agosin (U Chile)
Discussants: Eduardo Moron (FLAR)
 Brazil Central Bank
 Jorge Carrera (Central Bank of Argentina)

12:30 – 1:45 Working Lunch
Title: **Multilateral Contingent Credit Lines in lieu of Reserves: How valuable are they and how to improve them?**
Speaker: Lorenzo Giorgianni (IMF)

2:00 – 4:30 Session 6. Central American and Caribbean Outlook

Co-Chairs: Alejandro Izquierdo (IDB) and Inder Ruprah (IDB)
Conversation with: Policymakers of Central America and the Caribbean