



Rebirthing the Global Economy to deliver Sustainable Development

A series of roundtables with distinguished women economists convened by the Secretary-General

Initial roundtable: 1 July 2020 – 8:00-10:00am (EDT)

In the past six months the world has experienced a global pandemic in the form of COVID-19—that has gone beyond a health and humanitarian crisis to also become an unprecedented global development emergency.

To respond and recover better, the Secretary-General of the United Nations has called for a comprehensive multilateral effort aligned to Agenda 2030 and the Paris Agreement. This includes measures to suppress the transmission of the virus and tackle the immediate social and economic dimensions of this human crisis.

It also requires an assessment of the structural vulnerabilities that facilitated the crisis and plans for a recovery that puts inclusiveness and sustainability at the center of all efforts.

Following on from the [High-Level Event on Financing for Development in the COVID-19 Era and Beyond](#), convened by the Prime Minister of Canada, the Prime Minister of Jamaica and the Secretary-General, there are clear elements that need to be addressed at global and systemic levels. Among them: **debt, external finance and international trade** require urgent attention. There is also a need to engage new and diverse perspectives, to rethink old models, and to recover from COVID-19 stronger.

Debt. Over the last decade the world has seen a continuation of sustained growth. In that same period, developing countries have experienced the largest and most broad-based period of debt accumulation in the past 50 years. Debt servicing costs—the resources need to cover repayment of interest and principle—of low-income countries more than doubled between 2000 and 2019, to 13% of government revenue.

Even before the crisis started, 37 middle-income countries were rated below investment grade by major ratings agencies with external financing, coming mainly from private capital, needs of more than 14% of GDP. Before the pandemic, a very large number of developing countries were either already in debt distress or projected to be unable to service their debts.

As a result of emergency measures to respond to the pandemic and provide emergency social protection—more countries are experiencing similar critical prospects. To support low-income countries, the G20 announced a debt standstill for official external debts of 76 low-income countries, but the uptake has been slow. This is largely due to fears that downgrades by credit

rating agencies will lead to increased costs of private financing options. Debt management and relief for low and middle-income countries requires new considerations to build back better, inclusively, sustainably, and in ways that strengthen social protection to leave no one behind.

External finance. In addition to the extremely challenging state of fiscal deficits, shortfalls in government incomes and total debt accumulation, the COVID-19 pandemic has severely affected developing countries sources of external finance. Nations are seeing capital flight. In March 2020 alone, large-scale outflows of capital and financial assets from emerging economies amounted to US\$ 83.4 billion.

Foreign direct investment (FDI) is projected to decline between 30-40% and remittances are projected to drop 20%. At the same time, official development assistance (ODA) continues to fall significantly below the Addis Ababa Action Agenda Goal of 0.7% gross national income (GNI) of donor countries.

To set up more resilient and shock-proof systems, building back the status quo is not an option. Any gains that come at the expense of social and environmental objectives will only sustain recovery for the short-term and exacerbate existing vulnerabilities and inequalities.

International Trade. Lockdowns have significantly curbed manufacturing output in the major hubs of world trade, including in China, Germany and the United States, which collectively account for around 34% of global manufacturing exports. Disruptions in major manufacturing hubs have weakened demand for industries that rely on base metals and minerals, leading to sharp declines in their price.

Smaller manufacturing economies—for example Bangladesh and Cambodia—are facing a sharp decline in exports amid falling demand in developed economies. Developing countries' trade is projected to decline between 13–32%. COVID-19 has also brought major repercussions for tourism, the number of international airline passengers is projected to drop even more dramatically, between 40–80% this year.

Moreover, a shift in decades long trends in international trade from greater globalization and global value-chains, towards increasingly regional and nationally based supply chains will have unforeseen impacts. This has been further demonstrated by countries prioritizing domestic consumption over exports during this crisis.

Roundtables. To find solutions to these pressing issues, the Secretary-General is pleased to announce the launch of a series of roundtables with, in the first instance, distinguished women economists - practitioners, policy makers and academics. Discussions will center on these three topics, through the lens of sustainability and inclusion.

The initial roundtable will provide an opportunity for feedback to the Financing for Development work streams the issues raised and reflections from experts in these three critical areas of debt, international trade and external finance. Discussions will also focus on how these dialogues can inform and influence transformation of the current global financial architecture to support inclusion and sustainability beyond COVID-19.

Annex 1 – Run of show

Run of show – 2 hours		
Moderated by Zeinab Badawi		
Opening remarks	UN Secretary-General	4 minutes
Remarks	UN Deputy Secretary-General	3 minutes
Remarks	H.E. Minister of Finance, Indonesia	3 minutes
Segment 1: Framing remarks – Debt, International Trade, External Finance	Carmen Reinhart, Chief Economist, World Bank – Debt	10 minutes
	Minouche Shafik, Director, London School of Economics – External Finance	10 minutes
	Pinelopi Goldberg, Professor of Economics, Yale – International Trade	10 minutes
Moderated Discussion	All participants	60 minutes
Reflections	Managing Director, International Monetary Fund	5 minutes
	President of the European Central Bank	5 minutes
	H.E. Minister of Finance, Honduras	5 minutes
Wrap up	Co-Convenors – UN Deputy Secretary-General and H.E. Minister of Finance, Indonesia	5 minutes

Annex 2: List of Invitees

1. Sri Mulyani Indrawati, Minister of Finance of Indonesia (Co-Convenor)
2. Gita Gopinath, Chief Economist of the IMF
3. Carmen Reinhart, Chief Economist of the World Bank
4. Mariana Mazzucato, Professor in the Economics of Innovation & Public Value at University College, London
5. Kate Raworth, Senior Visiting Research Associate, Oxford University's Environmental Change Institute
6. Stephanie Kelton, Professor of Economics and Public Policy, Stony Brook University
7. Naila Kabeer, Professor of Gender and Development, Department of Gender Studies, London School of Economics
8. Janet L. Yellen, Distinguished Fellow in Residence with the Economic Studies Program at the Brookings Institution and former Chair of the Federal Reserve Board
9. Ngozi Okonjo-Iweala, former Finance Minister of Nigeria and AU Special Envoy to Mobilize International Economic Support for Continental Fight Against COVID-19
10. Leila Fourie, CEO, Johannesburg Stock Exchange
11. Christine Lagarde, President of the European Central Bank
12. Vera Songwe – Executive Secretary of the United Nations Economic Commission for Africa
13. Kristalina Georgieva - Chairwoman and Managing Director of the International Monetary Fund
14. Alicia Bárcena – Executive Secretary of ECLAC
15. Pinelopi Goldberg, Professor of Economics, Yale
16. Gabriela Núñez Ennabe – Minister of Finance of Honduras
17. Minouche Shafik – Director, London School of Economics
18. Three additional young economists, nominated by UN Regional Economic Commissions

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