FX RISK IN DEVELOPMENT
MANAGING CURRENCY RISK THROUGH BLENDED FINANCE

INFORMATION
Date: Wednesday, 1 February 2017
Time: 08:30 – 18:00
Venue: European Commission, Berlaymont Building, Rue de la Loi 200, Brussels

OBJECTIVE
Create support for and increase investment in best-practice blended finance solutions that reduce FX risk with an emphasis on scalability, sustainability, and catalytic deployment of public sector funds.

WORKSHOP CONTEXT
High levels of FX risk in developing countries have been a pervasive challenge for more than 30 years. At the country level, high FX burden mixed with depreciating local currencies leads to increases in debt-to-GDP ratios, balance of payment challenges, and heightened default risk. In the private sector, FX risk constitutes a fundamental bottleneck to unlocking cross-border financing to developing countries.

While there have been many innovative solutions to reduce FX risk in developing countries and development finance, these solutions have not yet achieved scale. The large majority of cross-border flows into developing countries continue to be in foreign currencies, domestic financial intermediation in developing countries tends to be shallow and dollarized and FX risk stunts equity investment.

The FX Risk in Development workshop will identify opportunities and challenges associated with new and existing blended finance solutions to maximize hedged local currency investment flows and FX risk management solutions at scale.

AGENDA (continued on following page)

09:00 Welcome and keynote address
Katarina Mathernova, Deputy Director-General, European Commission (DG NEAR)
Marjeta Jager, Deputy Director-General, European Commission (DG DEVCO)

09:20 Current state of FX risk in developing countries
Chair: Roberto Ridolfi, Director, European Commission (DG DEVCO)
Presenters: Anastasia Guscina, Economist, IMF and James McCormack, Global Head of Sovereigns, Fitch Ratings
Panelists: Axel von Trotsenburg, Vice President of Development Finance, World Bank; Haje Schutte, Head of Development Finance, OECD; Shari Spiegel, Chief Financing for Development, United Nations; Anastasia Guscina; and James McCormack

10:45 Deepening domestic financial intermediation in local currency
Chair: Andre Kuusvek, Director Local Currency and Capital Markets, EBRD
Presenters: Douglas Bennett, COO, GuarantoCo; Philip Buyskes, CEO, FrontClear; Kiyoshi Nishimura, CEO, Credit Guarantee Investment Facility; Keshav Gaur, Director Treasury, IFC; and Thomas Duve, Director, Southern Africa, KfW
Panelists: Andre Kuusvek; Keshav Gaur; Kiyoshi Nishimura; and KY Choi, CEO, Kyrgyz Investment and Credit Bank.
AGENDA (continued)

11:45 **Increasing cross-border flows in local currency and hedged currency**  
Chair: Haje Schutte, Director, OECD  
Presenters: Andrea Pataki, Senior Investment Officer, EIB; Axel van Nederveen, Treasurer, EBRD; Brian Cox, CEO, MFX; Roger Garman, Senior Advisor, SIDA; and Harald Hirschhofer, TCX  
Panelists: Roberto Ridolfi, Director, European Commission (DG DEVCO); Miguel Navarro-Martin, Head of Banking Products, World Bank; Christoph Kuhn, Director, EIB; Axel van Nederveen; and TBD, German Ministry of Finance

13:00 **Lunch**

14:15 **Breakout 1: Barriers to scaling local currency debt and hedged FX debt**  
Chair: Kay Parplies, Head of IFIs, European Commission (DG ECFIN)  
Panelists: Ivo Germann, Head of Operations, SECO; Jens Sedemund, Executive Advisor, OECD; Mildred Callear, Vice President, OPIC; and Stefan Nalletamby, Director of Financial Sector, African Development Bank

**Breakout 2: Barriers to scaling hedged international equity investment**  
Chair: Soren Andreasen, General Manager, European Development Finance Institutions (EDFI)  
Presenters: Agnes Dasewicz, Director of Private Capital, USAID, Jeff Schlapinski, Director Emerging Markets Private Equity Association, and Gerhard Pries, CEO, Sarona Asset Management  
Panelists: Agnes Dasewicz; Gerhard Pries; Jeff Schlapinski; and TBD

15:45 **Best practice blended finance approaches to achieve scale**  
Chair: Joan Larrea, CEO, Convergence  
Presentations: Kay Parplies, Head of IFIs, European Commission (DG ECFIN) and Keshav Gaur, Director Treasury of Client Solutions, IFC  
Panelists: Anastasia Guscina, Economist, IMF; Axel von Trotsenburg, Vice President of Development Finance, World Bank; Katarina Mathernova, Deputy Director-General, EU Commission (DG NEAR); Rachel Turner, Director of International Finance, DFID; Ruurd Brouwer, CEO, TCX; and Shari Spiegel/Guido Schmidt-Traub, UN Sustainable Development Network

17:30 **Wrap-up**  
Roberto Ridolfi, Director, European Commission (DG DEVCO)  
Paul Horrocks, Head of Blended Finance, OECD  
Christopher Clubb, Managing Director, Convergence  
Harald Hirschhofer, Senior Advisor, TCX