

Concept Note for Side Event at the United Nations Conference on Financing for Development

Time: Monday 30 June 2025 12:30 pm to 2:00 pm

Venue: Room side event 23

Theme: Reforming the International Development Financial Architecture from the Perspective of China and Other Emerging Economies

Background:

The global landscape of development financing is at a critical juncture. The existing international financial systems, for instance in health finance, debt sustainability analysis, financial regulation, the accountability of credit rating agencies, and global financial safety net, are increasingly seen as inadequate to address the complex challenges of the 21st century. Limitations of the current architecture are exposed, particularly in addressing the compelling development needs of developing countries and tackling global challenges in an integrated manner.

- The COVID-19 pandemic has starkly highlighted the disparities in global health financing, where accessibility, affordability, and justice are often compromised. Furthermore, the current international development financial system fails to take an integrated approach to tackle economic, environmental, and social challenges, resulting in working in silos.
- The methodologies used by Bretton Woods Institutions (BWI) for debt sustainability analysis have been criticized for both overoptimism and the failure to capture the impact of the structure of debt usage (especially in productive investments in line with latent comparative advantages) upon the future debt service capacity of the borrowing countries.
- International financial regulatory framework, such as Basel Accord, needs to better reflect different country contexts and tailor itself for different financial intermediaries such as national development banks to at least comply with the “do no harm” principle.
- Private US credit rating agencies have not been held accountable for their credit ratings. Credit assessments are pro-cyclical and excessively focused on short-term factors, which may discourage long-term finance provision and risk-bearing equity finance to tackle climate change and foster innovations.
- Global financial safety net is far from effective as some developing countries to accumulate excess international reserves in order to cushion volatility. SDRs are

underutilized by the IMF. Local currency finance from multilateral development banks is in short supply.

Emerging economies, including China, Brazil, and South Africa, have become significant contributors to global development financing, yet their voices and perspectives remain underrepresented in shaping the rules and systems governing international finance. China, Brazil, South Africa, and other emerging economies have pioneered innovative approaches to development financing, such as the Asian Infrastructure Investment Bank (AIIB), and the New Development Bank (NDB). These initiatives highlight the potential for viable alternatives that prioritize inclusivity, sustainability, and mutual benefit. However, integrating these perspectives into the broader international financial system requires systemic reforms.

This side event seeks to explore how the international development financial architecture can be reformed to harness the growing financial strength of China, Brazil, South Africa, and other emerging economies as a constructive force for good, while fostering global cooperation and sustainable development.

Objectives:

This side event aims to:

1. **Highlight the perspectives** of China, Brazil, South Africa, and other emerging economies from Asia, Latin America, and Africa on the challenges and opportunities in reforming the international development financial architecture.
2. **Identify key areas for reform**, for instance, in the international health finance system and rules to ensure that health financing is accessible, affordable, and just, and in the debt sustainability analysis frameworks used by BWIs, ensuring they are more inclusive and reflective of the actual economic conditions of borrowing countries.
3. **Promote dialogue and collaboration** between traditional and emerging stakeholders to build a more accountable, resilient and adaptive global financial system.
4. **Create pathways** for innovative financing mechanisms in international development cooperation.

Format:

The event will be structured as a **roundtable discussion**, allowing for an interactive and in-depth exchange of ideas among participants. The roundtable will be held **in-person** to foster direct engagement and networking opportunities.

- **Opening remarks** by the moderator (Jiajun Xu, Principal Investigator of Public Development Finance Research Program at Peking University) and co-moderator

(João Carlos Ferraz, Professor at the Institute of Economics, Brazil and the former vice president of BNDES)

- **Panel discussions** with experts from multilateral institutions, international organizations, and academia such as Asian Infrastructure Investment Bank, United Nations Conference on Trade and Development (UNCTAD), Global Development Policy Center at Boston University, International Development Research Centre (IDRC), Latin American research institutions from RedSur, Nelson Mandela School of Governance, as well as renowned Chinese and African universities.
- Moderator:

Jiajun Xu, Principal Investigator of Public Development Finance Research Program at Peking University

Co-Moderator:

João Carlos Ferraz, Brazil, South American Network on Applied Economics/Instituto de Economía, Universidade Federal de Rio de Janeiro (IE/UFRJ)

- **Panelists (6 minutes each):**

- 1) Luis Miguel Galindo, Professor, Universidad Nacional Autónoma de México (UNAM), Mexico
- 2) Kevin Gallagher – Professor, Global Development Policy Center at Boston University.
- 3) Penelope Hawkins – Head of the Debt and Development Finance Branch, United Nations Conference on Trade and Development.
- 4) Meibo Huang – Professor, Shanghai University of International Business and Economics (SUIBE).
- 5) Ming Xu – Professor, Peking University.
- 6) Nimrod Zalk – Chief Research Officer, Nelson Mandela School of Governance.

- **Open floor discussions** to encourage participation from all attendees.
- **Closing remarks** summarizing key insights and actionable recommendations.

Participants:

The event will invite a diverse group of stakeholders, including:

- Representatives from **United Nations agencies** (e.g., UNCTAD)
- **Academics and researchers** specializing in global economic governance, financial regulation, credit rating, debt sustainability analysis, an integrated approach to climate finance and health financing.
- **Public Development Financial Institutions** (MDBs and NDBs)

Expected Outcomes:

- A set of **policy recommendations** for reforming the international rules and systems in development financing regarding health finance and debt sustainability analysis.
- **Enhanced understanding** and **collaboration** among stakeholders on the critical issues of development financing.
- **Strengthened partnerships** between traditional and emerging stakeholders to advance global development goals.

Conclusion:

This side event will serve as one of the pivotal platforms for advancing the discourse on reforming international development financing systems. By addressing the critical areas of health finance and debt sustainability, the event aims to contribute to a more equitable and sustainable global financial architecture.

Contact Information:

For further details and participation inquiries, please contact Ms. Beina Xia at beinaxia@nsd.pku.edu.cn

Date and Venue:

12:30pm-14:00pm, 30 June 2025, FIBES Sevilla Exhibition and Conference Centre in Seville, Spain.

Organizer:

Public Development Finance Research Program at Peking University

Co-Organizers:

RedSur (Red Sudamericana de Economía Aplicada)

Global Development Policy Center at Boston University

Nelson Mandela School of Governance

Participants:

1. Santiago Alba-Corral, Vice-president, Programs and Partnerships, International Development Research Centre (IDRC)
2. Maria Paula Arenas, Vice President of Investment at Procolombia
3. Mateo Bucheli, Deputy Director, Private Office at Procolombia
4. Carmen Caballero, President of Procolombia
5. Maria Camila Castellanos, Executive director at Procolombia

6. Christoph Benn, Director for Global Health Diplomacy at the Joep Lange Institute in Geneva
7. João Carlos Ferraz – Brazil, South American Network on Applied Economics/Instituto de Economia, Universidade Federal de Rio de Janeiro (IE/UFRJ).
8. Kevin Gallagher, Professor, Global Development Policy Center at Boston University
9. Luis Miguel Galindo – Professor, Universidad Nacional Autónoma de México (UNAM), Mexico.
10. Penelope Hawkins, Head of the Debt and Development Finance Branch, United Nations Conference on Trade and Development
11. Meibo Huang, Professor, Shanghai University of International Business and Economics (SUIBE)
12. Fernando Lorenzo, Coordinator, RedSur
13. Mariano Machado, MPA, Americas Principal Analyst, Global Risk Insight
14. Pascual Martinez, Senior Investment Advisor at Procolombia
15. Carolina Quintana, Manager, RedSur
16. Frederico Rocha, Dean of the Institute of Economics, Federal University of Rio de Janeiro
17. Hong Wang, Senior Program Officer, Bill & Melinda Gates Foundation
18. Beina Xia, Project Manager, Public Development Finance Research Program at Peking University
19. Jiajun Xu, Associate Professor, Principal Investigator of Public Development Finance Research Program at Peking University
20. Ming Xu, Professor, Peking University
21. Tianen Yao, PhD, Peking University
22. Nimrod Zalk, Chief Research Officer, Nelson Mandela School of Governance