2014 FALL UPDATE

Positive Shifts in Financial Governance

On November 14, the Financial Stability Board (FSB) proposed to the G20 that its governance structure be updated to increase the voice of Emerging Markets and Developing Economies (EMDEs). Most noteworthy is the FSB’s proposal to include non-member countries in the FSB Plenary Meetings. Below is a quick glance into the language being proposed by the FSB:

On including non-members in the plenary meetings, the FSB has proposed:

“To better integrate the discussions at the six RCGs with the work of the FSB and enhance communication with the RCGs, the FSB will extend to the non-FSB member co-chairs of the RCGs a standing invitation to attend Plenary meetings”

On strengthening non-member voice in policy-making committees and working groups:

“The FSB will explore opportunities for the involvement in the work of Standing Committees or Working Groups of representatives from non-Member jurisdictions in the RCGs, while recognising that the scope for participation will be limited by the need to keep the size of such bodies at a level that does not impair their effectiveness.”

Read the full FSB “Review of its Representation”

Sovereign Debt Consultation

In June of 2014, The Centre for International Governance Innovation (CIGI) tasked New Rules with the responsibility of engaging its civil society network in a global consultation on sovereign debt restructuring. By soliciting diverse viewpoints through workshops, webinars and online consultations, CIGI and New Rules hope to generate a deeper discussion of the specific topics and proposed approaches regarding issues of sovereign debt.
In early October, New Rules concluded phase 1 of the Global Consultation on Sovereign Debt Restructuring. This phase consisted of collecting comments and feedback on the Draft Consultation Paper. All comments, reactions and suggestions were compiled, sent to the authors for review, and posted on the Sovereign Debt Consultation site.

**Consultation Events**

**Sovereign Debt Workshop: Designing a Restructuring Process that Works for All**

On October 7, New Rules and Jubilee USA hosted a sovereign debt workshop. Skylar Brooks, a co-author of the draft consultation paper, provided the background for the discussion. Eric LeCompte, Ezra Sumura and Geoffrey Chongo all helped launch the dialogue by updating participants on the UN General Assembly Resolution towards the establishment of a multilateral framework to address sovereign debt, and on the uncertain future of African sovereign debt restructuring in a changing global financial landscape. A rich, participant-driven discussion followed the panelists’ presentations, including suggestions for clarifications needed moving forward, and recommendations for addressing issues of sovereign debt restructuring. More information on this event is available here.

**Sovereign Debt Restructuring: Options, Obstacles and Opportunities**

On October 11, New Rules, Jubilee USA, Uganda Debt Network, and CIGI hosted a panel discussion on sovereign debt restructuring at the World Bank as part of the Civil Society Program at the Annual Meetings. Panelists included Eric LeCompte, Miranda Xafa, Ezra Sumura, and Sergio Chodos. After Eric outlined the recent discussion on core issues of sovereign debt restructuring, the diverse panel presented analyses from their country or region’s experiences with debt crises and default. For the full report, please click here.

**Upcoming Webinar Series on Sovereign Debt Restructuring**

In November, New Rules will kick off Phase 2 of the Global Consultation on Sovereign Debt. This phase will consist of a series of webinars and video conferences to broaden and deepen the dialogue spanning specific issues, case studies, and proposed solutions. Organizations and individuals are invited to organize and plan webinars on topics of their choosing from January-May, 2015.
Global Financial Governance & Impact Report

On October 8, New Rules, in coordination with 15 other organizations, released the “2014 Global Financial Governance & Impact Report.” The Report evaluates the leading global financial rule-making entities: the G20, the Financial Stability Board (FSB), the International Monetary Fund (IMF), the World Bank, and this year for tax rule-making, the OECD. It asks what impact they are having on reducing inequality, especially in developing countries, and finds two institutions (the IMF and FSB) with marginal positive impact, two (the OECD and World Bank) virtually none and one (the G20) marginally negative.

The report concludes that in spite of warm words about the need for inclusive growth and shared prosperity, global financial rule-making institutions are doing little or nothing to combat inequality.

Full report is available here

EVENTS


On September 15, New Rules and the Heinrich Boell Foundation hosted an event at the World Bank to discuss the role of public-private partnerships (PPPs) in achieving the post-2015 development goals. Mansur Muhtar, Andrea Phillips and Nancy Alexander provided different perspectives on the potential successes and pitfalls as governments turn to PPPs for financing development projects. The full report and video highlights are available here.
Reducing Inequality:  
Do the IMF, World Bank, and Other Global Institutions have an Impact?

On October 8, New Rules hosted a session at the World Bank for the release of the “2014 Global Governance & Impact Report.” The objective of the session was to present the report findings on the governance and impact of key international financial rule-making bodies, including the World Bank and IMF, with particular attention to the institutions’ impact on poverty and inequality. Following a keynote address by Thomas Bernes, Matthew Martin led a panel discussion centered on the challenges of assessing the impact of financial institutions and development finance in developing countries. Panelists included John Ruthrauff, Vicky Perry, and Patricia Miranda. Full report on this event is available here.

Global Financial Reform: How might the 2015 International Conference on Financing for Development strengthen reform momentum?

On October 20, New Rules Executive Director Jo Marie Griesgraber presented at a roundtable discussion hosted by Bread for the World and the UN Department of Economic and Social Affairs at the United Nations Headquarters. The discussion focused on the G20, IMF and FSB initiatives for international financial architecture reform, additionally addressing the potential role for the UN in helping to ensure increased stability in the global financial system. Jo Marie presented during the afternoon panel, moderated by Barry Herman, on the global politics of reform. The full program is available here.

Justice in Development: Securing a Place for Tax Justice and Transparency on the Post-2015 Development Agenda

On November 7-9, the Yale Global Justice Program (GJP), Global Financial Integrity, and Academics Stand Against Poverty hosted the GJP Annual Conference at Yale University. In a panel discussion on November 7, New Rules Executive Director Jo Marie Griesgraber spoke on how three processes could contribute significantly to tax transparency and to the achievement of the Post-2015 Development Goals: 1) The UN Committee of Experts in International Cooperation in Tax Matters could and should be elevated to an inter-governmental body; 2) The G7/G20 should follow through with its mandate to the OECD to eliminate BEPS; and 3) The GLEI Foundation requires political support and public attention if it is to provide the public identifying codes for all financial entities and products. The full program for the conference is available here.

IMF and Civil Society

In October, Christine Lagarde said “Civil society engagement is invaluable for IMF work.” New Rules aims to ensure this rhetoric becomes reality. Through our CSO Network, we continue to engage civil society in developing countries where the IMF is most involved to provide information, help communicate citizen concerns to the IMF and increase civil society participation in IMF consultations – local and global. This
year, civil society groups in Egypt, Myanmar, Yemen, Zambia and other countries have been working hard to strengthen CSO engagement and transparency in IMF negotiations with their own governments. Most recently, CSOs in Ghana have organized the “CSO Platform on the IMF Bailout to Ghana.”

Launched on October 23, 2014, this CSO Platform in Ghana will be working toward citizen inclusion and consultation throughout the IMF negotiations. Acknowledging that IMF programs will not be successful without the buy-in of Ghana’s citizens, the Platform hopes to educate the population and engage them in a dialogue, while ensuring transparency and accountability on part of the IMF and the government of Ghana. The Platform will host a forum on **November 18, 2014** at which the participating organizations hope to adopt “Common Positions” on key issues regarding negotiations.

This initiative could become a model for civil society in other countries to influence both the IMF and their governments in the economic decision-making that impact their communities.


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**Public Consultations with IFIs**

**IMF**

On October 6, the IMF launched its new Fiscal Transparency Code, for which New Rules had coordinated input from developing countries into the public consultation through its civil society network. The IMF is expected to launch a second 6-8 month public consultation to develop guidelines for “Resource Revenue Transparency,” which will build off of the 2007 Guide on Resource Revenue Transparency. New Rules will be following this development closely and will share further details as soon as they become available.

**FSB**

*Guidance on Cooperation and Information Sharing with Host Authorities of Jurisdictions Not Represented on CMGs where a G-SIFI has a Systemic Presence:* For cross-border resolution planning to be effective, the FSB recognizes the need to safeguard the interests of developing countries and to include
them into resolution planning processes. Developing countries are vulnerable to situations in which a subsidiary of a G-SIFI is of systemic importance to a developing host economy, but are not of “material” interest to the resolution process. For this reason, multilateral cooperation and transparent information sharing must be strongly encouraged by the FSB. The deadline for feedback is December 1, 2014. New Rules has already submitted comments to the FSB, which are available here.

Other FSB consultation documents include:


- **Adequacy of Loss-Absorbing Capacity of Global Systemically Important Banks in Resolution**, Feedback due February 2.

**Global Legal Entity Identifier System (GLEIS)**


This consultation is coordinated by the Regulatory Oversight Committee (ROC), which oversees the implementation of the Global Legal Entity Identifier System (GLEIS). Note: Iran and Mauritania (also North Korea) do not have any registries on this list. There might be others, so we encourage those with keen eyes to take a look.

For those unfamiliar with the GLIES, here a short introduction with diagram on the GLEIS: [http://fsbwatch.org/program-update/the-global-legal-entity-identifier.html](http://fsbwatch.org/program-update/the-global-legal-entity-identifier.html)
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