



2022 CAREC Economic and Financial Stability Cluster High Level Policy Dialogue
4 October 2022, 7:00 – 9:00 p.m. (Manila time)

**Dealing with Risks and Vulnerabilities: Tightening Global Financial Conditions
Amid Post Pandemic Recovery and Geopolitical Conflict**

Background

The rising inflation has resulted in tighter global financial conditions, negatively impacting CAREC countries. Investors appear to be concerned about the elevated risks to the economic and inflation outlook in the region's economies affected by supply chain disruptions and other impacts of the recent geopolitical conflict. Furthermore, most of the Asian stock markets have underperformed, reflecting vulnerabilities and growth concerns amid COVID-related restrictions.

Fast increasing policy interest rate emerging from global inflationary pressure and a subdued growth outlook could expose the financial system of CAREC countries to vulnerabilities that have built up from higher debts and elevated inflation in many countries. Higher financing costs is expected to dampen the repayment capacity of firms and households in the medium term. High risk aversion and tighter global financial conditions also fuel the vulnerabilities emanating from capital flow reversals and rising interest rates.

These developments are occurring at a time when several CAREC countries are struggling to manage the legacy of nonperforming loans (NPLs). Central banks of CAREC countries face hard choices between containing inflation and supporting credit growth and economic recovery.

In this context, it will be important to examine what are the emerging risks and vulnerabilities to the financial stability in the region and innovative ways and policy measures that will mitigate the risks to financial stability in the region.

High-Level Virtual Panel Discussion

To discuss these issues, the CAREC Secretariat proposes to conduct a high-level panel discussion, inviting senior officials from finance ministries, central banks, financial regulatory authorities, and other officials and private sector players from CAREC countries, together with senior representatives from the ADB, International Monetary Fund, and the World Bank. After a keynote presentation by IMF, country delegates and panel discussants will be invited to share their experiences and insights on rising risks from deteriorating global economic outlook and tighter global financial conditions; and possible measures and policy actions to mitigate those risks and vulnerabilities. The panel discussion will close with a brief summary of the main results of the discussion.





Date	4 Oct 2022 7:00-9:00 pm (Manila), 7:00-9:00 am (Washington, D.C.)
Objective	The CAREC Secretariat is inviting officials from relevant ministries, central banks, regulatory authorities, and other senior officials in CAREC region to share their experiences in dealing with risks and vulnerabilities to the financial stability, and innovative ways and policy measures that will mitigate the risks to financial stability in the region. ADB, IMF, and the WB will also share their insights, explore policy options, and emphasize the role of regional cooperation.
Format	Virtual webinar using Zoom
Participants	High level government officials including finance ministries, central banks, financial sector regulators, and policy makers from CAREC region, private sector players in financial system and investment, ADB, IMF, World Bank, and other thinktanks, and development partners.

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Agenda

4 October 2022, Tuesday	
6:30-7:00 p.m.	Zoom (registration and log-in) and audio-video checks
7:00-7:05	Event Introduction Ms. Lyaziza Sabyrova, Director, CWRC, Central and West Asia Department, ADB
7:05-7:10 p.m.	Opening Remarks Mr. Koba Gvenetadze, Governor, National Bank of Georgia
7:10-7:15 p.m.	Welcome Remarks Mr. Yevgeniy Zhukov, Director General, Central and West Asia Department, ADB
7:15-7:25 p.m.	Keynote Presentation Mr. Subir Lall, Deputy Director, Middle East and Central Asia Department, IMF
7:25-8:40 p.m.	Panel Discussion: Challenges to Financial Stability and Policy Responses Rising risks amid post pandemic recovery and deteriorating global economic outlook; and possible measures and policy actions to mitigate those risks and vulnerabilities. Moderated by: Mr. Junkyu Lee, Chief of Finance Sector Group, ADB





<p>Panel discussants:</p> <p>Mr. Rustam Tahirov, Head, Financial Stability Department, Central Bank of the Republic of Azerbaijan</p> <p>Mr. Koba Gvenetadze, Governor, National Bank of Georgia Mr. Enkhtaivan Ganbold, Deputy Governor, Central Bank of Mongolia</p> <p>Mr. Jameel Ahmad, Governor, State Bank of Pakistan</p> <p>Mr. Jean Denis Pesme, Global Director for Finance Competitiveness and Innovation, World Bank</p> <p>Mr. Syed Shakeel Shah, Director, CAREC Institute</p> <p>Specific questions for CAREC countries</p> <ul style="list-style-type: none">• What are the specific challenges to financial stability each country is facing, amid post pandemic recovery and deteriorating global financial conditions and effects of the Russia-Ukraine conflict?• What have been the policy responses actions taken so far by each country?• What sort of support do CAREC countries expect from IFIs in terms of policy and financial support to deal with those risks and challenges? <p>CAREC Country Participants:</p> <ul style="list-style-type: none">• Ms. Aray Shayakhmetova, International Relations and Integration Division, Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market• Ms. Gulnur Kerimkulova, Head, Monetary Policy Department, National Bank of the Kyrgyz Republic• Mr. Azat Kazakbaev, Economist, Macroeconomic and Financial Analysis Department, National Bank of the Kyrgyz Republic• Mr. Ahmad Qadir, Director-General, Competition Commission of Pakistan• Ms. Maryam Zafar, Sr. Joint Director, Competition Commission of Pakistan• Ms. Musarat Jabin, Executive Director, Securities and Exchange Commission, Pakistan• Mr. Shohin Mulloev, Head, Foreign Debt Management Department, Ministry of Finance, Tajikistan• Mr. Eraj Abdurahmonzoda, Deputy Head, Main Department of Trade Policy and Consumer Market, Ministry of Economic Development and Trade, Tajikistan• Mr. Dilshod Sharifi, Head of the Foreign Economic Cooperation Department, Minister of Economic Development and Trade, Tajikistan• Mr. Daler Mahmudov, Deputy Head, Forecasting and Macroeconomic Policy Coordination Department, Ministry of Economy and Trade, Tajikistan• Mr. Davlat Habibov, Head, Single Window for Support of Investors, Ministry of Economy and Trade, Tajikistan• Mr. Firdavsi Salimov, Deputy Head, Department of Monetary Policy, Research and Development, National Bank of Tajikistan
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8:40-8:55 p.m.	Q&A (moderated by Mr. Junkyu Lee, Chief of Finance Sector Group, ADB (or World Bank)
8:55-9:00 p.m.	<p>Closing Remarks Ms. Lyaziza G. Sabyrova, Director, Regional Cooperation and Operations Coordination Division, Central and West Asia Department, ADB</p>