

# Transformative Local Currency Finance Solutions: An Onshore Approach

Time: Dec. 4, 2023, 13:30-14:30 (GMT+4)

Venue: Blue Zone, AIIB Pavilion

Format: In-person

## Session Context

To limit global warming to 1.5 degrees, it is crucial to decarbonize the entire world. This will require huge investments in green technologies, which in emerging markets and developing economies (EMDEs) will be, to a large extent, financed by international capital flows. However, financing these investments in foreign currencies (FX) poses challenges, given that most revenues, such as payments from users of electricity generated by renewables, will be in local currencies. Therefore, because of the currency risk, either many otherwise profitable green investments will go unfinanced, or the EMDEs will see an explosion of dollar-denominated debt and a sharp escalation of the associated risk of debt distress.

## Session Objective

This panel seminar aims to bring together representatives from International Finance Institutions (IFIs) to discuss their ongoing and planned initiatives in the field of local currency finance. The discussion will delve into the challenges faced and potential solutions. Additionally, the session will explore an onshore Global Local Currency Treasury initiative, examining how such an onshore platform could be practically implemented.

## Speakers

**Aude Pacatte**, Director, European Bank for Reconstruction and Development

**Domenico Nardelli**, Treasurer, Asian Infrastructure Investment Bank

**Erik Berglöf**, Chief Economist, Asian Infrastructure Investment Bank

**Prasad Ananthakrishnan**, Unit Chief, International Monetary Fund

## Moderator

**Axel van Nederveen**, Treasurer, European Bank for Reconstruction and Development