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COULIBALY: Good afternoon. I know it's late in the day, but I'm sure we have a little bit more energy in the reservoir. Good afternoon. All right, very good. So thank you for being here. For those of you in the room and also those on line. I'm Brahima Coulibaly, the vice president of the Global Economy and Development program. It's really a privilege to welcome you all to today's event on climate development. International financial institutions. But with a perspective of the Global South, I know there are no shortages of events across town, so we're super grateful that you've chosen to spend this part of the late afternoon with us. So, Excellencies, ladies and gentlemen, as we gather here today, it is not lost on us that the impacts of climate crisis are not even you felt. For those in the Global South, climate change is not an abstract concept or a distant threat. It is their reality. One marked by rising seas, intensifying storms, droughts, floods that are devastating communities and threatening lives and livelihoods.

These impact is felt most in nations that have contributed the least to global warming bear the brunt of the consequences. Those countries and their communities stand on the front line, resilient, yet under-resourced, to confront the full magnitude of the challenge. This is why today focused on climate and development financing is so crucial. So let me say access to financing is not just about the ability to build infrastructure or fund mitigation adaptation. It is about survival. It's about ensuring that countries of the Global South can build resilient economies, alleviate poverty and deliver sustainable prosperity for the populations. In other words, it's about ensuring that they can invest in their future while addressing the immediate crisis of today. And the role of international financial institutions in addressing these challenges has never been more vital.

There is growing recognition that the global financial system, which was largely designed in the 20th century needs to be reimagined to meet the more complex challenges of the 21st Century. So, in thinking about solutions to those global challenges, our global economy and development program attaches great importance to bringing in the perspective of the Global South to the research and activity that we undertake. And for us, it's not just about inclusion. We think it's the right approach to global challenges. So we have made the reform of the international financial architecture a key focus of our work program that saw the active participation of 20 independent experts from 30 independent think tanks, institutions across the Global South and Global North.

The resulting recommendations outline our collective view on what imagined international financial architecture one that is better fit for the challenges of the 21st century should look like. So today we have the honor of hearing from one of the most compelling voices on these issues someone who has worked tirelessly to ensure that the concerns of small island developing states and other vulnerable nations are not just heard but acted upon. Prime Minister Mia Mottley of Barbados has been a global champion for climate justice, advocating for more equitable financial structures and spearheading initiatives like a Bridgetown initiative, which calls for reforming international financial institutions to better support climate resilience and sustainable development.

As she says in the preamble of the Bridgetown 3.0 and I quote, "We are living in the season of superlatives on this scorched earth. To have any chance of reversing this trajectory, we must build a more responsive, fairer and more inclusive global financial system to fight inequalities, finance climate transition and accelerate the achievement of sustainable development goals." Prime Minister's leadership has brought a fresh and powerful perspective to international fora from the halls of the United Nations to the Cop summits. She has consistently challenged the global community to move beyond rhetoric to action. Particularly in ensuring that the developing nations can access the resources they need and in mitigate the impact of climate change. Her advocacy is grounded in the real, the reality of her own country, Barbados, a small island nation that, like many others, faces existential threats from rising seas and extreme weather.

But it is also a call for all nations to recognize the moral imperative of addressing these challenges. With urgency. Prime Minister Mottley, we are very honored to have you with us today. Your voice has become indispensable in the global conversation, and we look forward to your thoughts on how to forge a path that is not just sustainable, but that is also just inclusive and the role that international financial institutions must play. Following the Prime Minister's keynote remarks, my colleague Amar Bhattacharya will take over the proceedings. So with that, please join me in welcoming Prime Minister Mia Mottley to the podium.

MOTTLEY: Thank you very much for your very kind introduction. And let me say to all of you in this room, including those standing at the back, thank you for coming to listen to us and to help us on this battle of trying to expand the numbers of people who are truly capable of helping us move the needle. Has the needle moved? Yes, it has. Is it moving fast enough? No, it's not. Is it attracting the kind of space and girth that we need and moving? No, it isn't. But the fact that it is moving ought to give us hope and give us the capacity to redouble our efforts to continue to close the gap. What is needed is a combination of approaches and of course, strong initiative 3.0 has been a document that has been reviewed, reflected on. There are some things that were acted on from the original Bridgetown, which is where I can see that there has been movement. Indeed, when before the resilience and sustainability truss was formally established, we were calling for a longer-term instrument that would address the issues of vulnerable middle-income countries.

I just had cause to say that where I come from, the intention is not only to get out of poverty, but it is to stay out of poverty. And regrettably, climate is likely to be one of those few things like war, like crime, like pandemics, like digital divide that can catapult us back into poverty. At the same time, the largest among the poor people do not actually live in poor countries. They live-in middle-income countries. So we start with that reality. And the IMF responded by being able to come outside of its comfort and create a 20-year instrument with a ten-and-a-half-year moratorium that allows us to be able to benefit not only on the basis of per capita income, but on the basis of vulnerability as middle income countries. We equally saw the debt pause clauses that they now call that we used to call them natural disaster clauses.

Those have been embraced not just by the World Bank. And I want to thank, just as I thank IMF for their innovations, I want to thank AJ for his with respect to the debt pause clause and being responsive enough that they were prepared to go back at it twice and get it right when what they presented to us was not fit for purpose. And that clearly showed that the inclination is there to work with the problem because they can come here and speak to you about Bridgestone 3, which you will have access to on the Internet, or I can use this time to ask you to use your influence to be able to help us move the needle more. And where do we need to move? The needle moved. You asked me if you had one sentence to take away, what would it be? Well, it's actually a double-barreled sentence that when all is said and done, we need longer, cheaper capital to save people and planet. Full stop.

And this notion of fast everything, fast food, fast communication has intruded itself into also believing that capital must be fastly disbursed and fastly repaid, with the emphasis being on fast and repaid. But we've already shown you that the examples of acute crisis the developed world has used the opportunity of longer-term affordable capital to help them get through this crisis. Now they are the ones with girth and they're the ones with strength and they're the ones with population. Why do you believe that we can do what they can't do on their own? And if we don't do it, all of the rhetoric changed from what we were being told from quantitative easing is not good to when it happened in the pandemic and all of a sudden trillions of dollars in quantitative easing in a handful of countries. The reality is that when all is said and done, the world is going to have more complex problems if we do not act with urgency.

I want to say to you that yesterday I met with scientists again, and I said it earlier in the V20 Climate Vulnerable forum, which I have the honor to chair. If we do not have a global me for an agreement, we run the risk of the outpaced increases in temperature and calamitous consequences of biblical nature that we are seeing. We know not from me that methane is having a much more vicious impact on the climate than even carbon. We know that it is common sense that will allow us to solve the problem. If you are losing the natural gas that is being flared. Why wouldn't you want money from it if it is going through the pipes leaking? Why wouldn't you want money for it? If you can change your agricultural practices either in the farming of race or livestock, why wouldn't you do it? And if we can change our practices with waste management, why wouldn't we do it? We have the precedent of the Montreal Protocol that shows us how we can be successful in eliminating certain things from the environment.

And I say to you that the scientists have advised that if we use and do this, that not only will we be successful in containing the increase in temperature, but we can actually reverse half a degree. Now, this is the first time I'm hearing that there's a potential for reverse and others reverse to solve the problem. No. But what it gives us is an extra five, ten years. Why is this important? Because Bridgestone 3 admits implicitly that there's not enough public money and that the distractions of war and the distraction of the geopolitics and the domestic politics. Is such that we do not have enough public money to solve the problem.

Therefore, we need, as we are doing with France and Kenya, maybe this is looking at a global solidarity levy approach that is purely on principles that we accept before. Polluter pays principle, those who contribute to the problem help solve the problem and add additional addition additional part. Those who in this environment stand to benefit egregiously from the solution. Leave a few cents on the table. And thirdly, in the same way that we find no a role for the sectoral contributions from multinational corporations who are not helping to solve the domestic fiscal problem for all kinds of reasons that are cumulative and political, then those who are in the philanthropic movement, you get to spend 100 cents on a dollar on what you want usually, and that's cool. That's your right. But if we're going to share the wealth, then leave 3 or 4 or $0.05 on the table on what the world needs. While you spend 95, 96, or 97 cents on what you want.

I believe that both not only the content of this as we have to in the Bridgestone Initiative, but the ability to do the other things which quite frankly, you are seeing genuine effort to move. Maybe not fast enough, but you see an effort to move on the part of the World Bank on the part of the IMF. But that is not going to be enough without scaling up significantly what we need. And then if you don't listen to us, the need to shockproof vulnerable economies. Middle income countries will now become poorer countries again. We've already established that poor people live-in middle-income countries. The reason why they're not poor is because we invariably have been able to put buffers in place for them. But there will be poor people then living in poor countries. If we do not start to shock proof some of these vulnerable economies and much depends because of the structure of the IMF.

The US has 17%. I think it is 85% that is needed to make any meaningful change. So will there be a new SDR issuance as we have called for in Bridgetown? We need it. Whether there will be one or not, much will be determined by the next election here. But we need it because even if we don't get all and we don't only need it for climate, because as we've said in Bridgestone, as we said in the four piece, you cannot separate people from planet and that this is a false construct that occupies maybe the minds of those who are academics or those who are bureaucrats or theoreticians. But it does not live in the mind of the average citizen globally, you cannot separate. If we accept that, then we begin to realize that we need to be more strategic in what we're doing. In this decade, we most countries lost three years because of a pandemic.

Three years from the attainment of SDGs by 2030, that would have been a rough pathway without the pandemic. With the global pandemic, it has become virtually impossible. But there is no magic in 2030 alone. And what we need to do is reframe what is possible for 2030, while at the same time extending what we do. That's not the UN's view. That's just my personal perspective. And in doing that, we need to be then strategic about what we must be solving. When we call for these SDIs they need to go into the Multilateral development Bank so that they can be scaled up. And to help us to focus not just on planet, but also on people. And what am I talking about? Whether we like it or not, we have to reduce poverty.

And poverty is going up for climate reasons, for war, for crime, a whole host of reasons. But there was already an underbelly of poverty that was never solved. So you have the combination of the two threatening, you know. How many people in here did not eat today? Everybody ate. Wonderful. Well, how many other countries in the world can we have 100% success at the elimination of hunger and the provision of water and food? That must be the most basic of needs that the world is prepared to solve between now and 2030. At the same time, how many of us live without electricity? We get to live with it. Way not everybody in the world? Because access to electricity can give us options where there is a lack of capacity with respect to education and where the lack of economic opportunities, otherwise that are propelled by access to energy. And we know what energy did to fuel the industrial revolution in good ways and in ways that we're not paying for through double jeopardy. World Bank has stepped up to the plate and said, we'll take on 300 million of the 600 million in Africa without electricity.

But who's going to take on the other 300 million? You don't have the time to treat this sequentially if you are serious about solving problems, and when you combine that problem with the demographic dividend, then Africa is going to have where young people who are naturally impatient are not going to have the temperament to understand or to listen as to why they're being deprived of the very things that other young people globally have access to because of access to education, because of access to electricity, etc.. If we get the electricity problem solved, we can then start to tackle the big tech companies and help them be part of the financial solution by saying, look, we can't take people out of poverty realistically and sustainably without education.

If the country doesn't have enough teachers or enough materials, can we supply the tablets? Can we supply them at an affordable costs, a rugged tablet for under 50 USD? A world that can send a man to the moon? It will. That can solve baldness for men. You mean to tell me we can solve the price of an affordable tablet to give children the opportunity to pursue knowledge and to have an opportunity to lift themselves out of poverty? The songs like priorities rather than Impossibilities. And then finally, as we do all of that, we recognize that if the same big tech companies can help with the education authorities regionally, invariably, but nationally for sure to help create the content that will allow people the ability to learn even if they can't travel 50 miles to a school or 20 miles to a school. These are the basic things that will at least keep the world stable, that will give us a larger army to fight, to save planet and to save people.

And that will start to bring some equity that reflects a new world order. And a fighting to almost use that phrase reflects a new reality. Because anything called world order has only spell doom and oppression for too many people in the world. But a new reality that gives people a fair chance at being able to live in this world and to help solve the existential crises that affect not just one part of the world, but all. You don't do that and cast your mind on what the world will look like If Africa, with all of its promise, cannot be part of the solution for global stability and prosperity. We are going to have problems because Africa just simply has the people who have to be accommodated elsewhere. You're already frightened to be able to take and put a proper deal in place with the migration of people in a way that we have for the migration of money. I have no problem in finding some money to move.

But we have every problem and find new ways for people to move. And the reality is we don't get this right. We've seen the consequences, we’ve seen the consequences of what happens when we don't get it right. With respect to the backlash, politically, nationally in the US, in Canada, in Western Europe, and regrettably, it's beginning to find itself in other parts of the world as well. So we have potentially a complex set of issues. But when you start to break them down and when you start to deconstruct and you look for where the solution is, invariably it comes back to the political will of a number of governments.

And that political will has to be driven by the domestic populations recognizing that if they don't take preventative and preemptive action that far from being able to help stabilize the world and to provide the solutions that they will be part and parcel of the ecosystem of victims that has started to develop across the world. I hope that the discussions here this evening will, while focusing on financing, will not treat it as a singular issue because human beings are not one issue people. We are complex creatures that have to face all kinds of things.

And what is going to happen soon with the existence of humanoids that can replace human beings for basic repetitive work is going to raise the issue of ownership because those who own would be those who control and those who don't own will become serfs and slaves in ways that history ought to have told us is not a viable option for human dignity and not to be repeated given the scale of catastrophe that it caused us in the past. I hope that those of you who have influence here will exercise that influence. We are from a very small country and you may say all we have is a voice. And that may be true, but we will use it and use it and use it because we believe that better can be done across the world. And invariably we are now finding the populations in the developed world thinking in the same way that we are. Thank you.

BHATTACHARYA: Thank you. Thank you, Prime Minister. You certainly use your voice very effectively, not just in terms of inspiration, but in the concreteness of ideas and proposals that you bring. And Bridgetown. Three point all. I really commend everybody to look at it, especially the voices and the people from the South, because it's a unifying agenda. So with that, I want to now turn to the next segment of this program. And I have the privilege to turn this over to Kevin Gallagher, who has been a collaborator for many years. He's professor of Global Development Policy at the Frederick Espada School of Global Studies at Boston University and the Director of the Boston University Global Development Policy Center. He says he's a member, but he's actually the life force of the Task Force on Climate Development and the IMF. The report of that task force, and I'm also a member of it, just came out and he chairs he has chaired also the expert team under the Brazilian G20 presidency on the bigger pillar of the MDB reform agenda, responding very much to one point that Prime Minister said, which is the imperative for long term, stable, predictable finance. So with that, Kevin, I'll turn it over and you can talk about the work of the task force. Thank you.

GALLAGHER: Thank you. Thank you, Omar. And thanks to you, Your Excellency, and our and our great panelists. Thanks, everybody, for coming. I'm Kevin Gallagher from the Boston University Global Development Policy Center. The GDP center, as we like to call ourselves. And it's an honor to co-sponsor this workshop. And today with the Brookings Institute, I'm going to share with you some of the key highlights of our task force that Ma just shared with you. Our new task force report called the IMF 2030 A Transformative Action Agenda to Achieve Climate and Development Goals. The Task Force on Climate Development in the IMF is now in it's in our third year, and we're a consortium of think tanks from around the world that supports the Inter-Governmental Group of 24 and the vulnerable 20 group of finance ministers, which is now up to 78 countries. If I if I have if I have the number right. Excuse me, 70 excuse me. Maybe by the end of the week.

It seems like wherever you go, more countries, more countries follow. And we have a number of economic think tanks from our from around the world. And our mission has been to articulate an investment led and development driven approach to climate change at the International Monetary Fund and the international financial institutions. Our new flagship report has one major, major recommendation for transforming the IMF, and that's to mobilize a stepwise increase in financing for climate change and in responding to climate risk in a way that's fiscally sound and financially stable. We're not saying that the International Monetary Fund should be that institution to fund wind farms and to create that longer run finance. No, not at all. With that is the job of the MDBs and other organizations of public and private finance in the international financial architecture. And like Amar said, I've had the opportunity to be a lead expert on that for the Brazilian presidency.

This Thursday, the Brazilian presidency will release a roadmap for MDB reform, which is quite ambitious, but the key will be on the extent to which the major shareholders, the South Africans and the Americans after that can take the torch that the Brazilians have set under MDB reform and really enable the roadmap to be able to provide that longer run, cheaper, affordable finance for countries regardless of their relative income and more on their relative need. But the fund, their role is to focus on the macro critical aspects, right? The MDBs and all these different institutions are, they're the project financiers, but what does it all add up to?

They need to be the big loud voice for mobilizing this stepwise increase in finance, in doing it in a way that's fiscally sound and financially stable. We have three action agendas in our report. One is that the fund needs to reform its surveillance activities by upgrading its analytical toolkit and its modeling, especially things like debt sustainability analyses that the Prime Minister has been a leader on. Perhaps most important is aligning the lending toolkit. We've heard a lot about the RST, which is an important new instrument, but still the workhorse of the International Monetary Fund is a number of other programs which put a primary push on fiscal consolidation, which is sometimes completely misaligned with the need to be able to mobilize the kind of finance we need in the long run.

And third, for the fund to fill this gap on the macro-critical aspects of climate change and climate change policy and be a real leader in the global climate finance space to say that we need this massive stepwise increase, but we need to do it in a responsible manner in a way that maintains financial stability for long run growth and sustainable development. Our task force takes a development centered approach to this for two reasons. One, if you look at this report from the IMF, it shows that the biggest costs of climate change are in the Global South, which we're seeing. Those are the big the darker blue here in this in this particular one. But also for a second and more positive reason, we focus on an investment led approach to financing for development. And if there is a stepwise increase of financing for low carbon, socially inclusive and climate resilient development in the Global South, that will also positively be a new development trajectory for countries in the Global South. It will bring prosperity across the world.

Our task force is involved in a number of different things where a bunch of economic nerds, we've produced a number of technical studies, we've done a lot of technical workshops with the fund, with civil society and so forth. But we also serve on a political advisory member level to the B20 and the G24. But some of the core analytical work that we've done has really tried to focus on three different things, maybe for one is what are climate risks to the macro situations of different countries or physical risks. When climate change has a flood or a hurricane and a country like the prime Minister's. What kind of impact does that have on the balance of payments in macro critical stability and so forth? One of our study shows that the more climate vulnerable a country is, the more associated they are with going to an IMF program.

And so the IMF, little, little, to its knowledge, is out there on the front lines of being a firefighter for climate vulnerability. Unfortunately, when it thinks about the adequacy of fund resources looking forward, it does not yet incorporate climate change and the need to address climate vulnerability in the long run. Another thing that we focused on is what we call transition risk. When countries are doing the right thing, when they're replacing the capital stock or with from fossil fuel based economic activity and moving to cleaner, more resilient economic activity that also can have macroeconomic implications. One of our studies from our partners in India, the Center for Social and Economic Progress, formerly Brookings India, has shown that the fiscal revenues from coal plants in India are about 20% of total federal revenues and even more in some of the some of the regional areas.

And so therefore, making that transition needs to have other ways to mobilize resources just to keep the lights on and to help in such a just transition. One of the things that our group is focused on, perhaps more than anything else, is something that we call transition spillover risk. And that's when the good policies in countries in the Global North that caused the climate problem have spillover impacts on emerging market and developing countries. And we think that this is a core role for the International Monetary Fund, given that they are a global membership-based institution that looks at the global system and is the only place focused on that particular way of thinking about it. This is a sobering study that our friends in Latin America did. There are, or what is the impact of net zero policies in the Global North on the big high hydrocarbon producers in South America. Many of the hydrocarbon producers in South America, like Trinidad and Tobago or Ecuador, they their government basically runs on one large state-owned oil company in the case of Trinidad and Tobago.

It can be up to 70% of government expenditure in a particular year. When we hit net zero in the Global North, that's going to have a massive shock on fiscal revenues in those particular countries. And what we and that we show that here in these six different countries. And then we also model what the impact of the IMF recommended climate carbon tax would be in those particular countries. And unfortunately, in all the cases except for in Brazil and Colombia, not only does the carbon tax not create the shift that's needed, but it far from compensates for the losses. And in fiscal revenues that will happen from such a shock. This is not a reason to not make these transitions.

This is a clear role for an institution like the International Monetary Fund to be able to monitor and surveil this, to be able to anticipate it in a way ahead of time, and to have these longer run instruments like the r t that can help countries prevent and mitigate this in the longer run. So based on some of this, you can go to our Web page, look at all of our other wonky studies, but we research regurgitate and recycle. We have policy briefs, we have blog pieces. We have a number of beds on all these things. And in our particular report here, we have 22 very specific, very specific recommendations. I'm not going to go through all of them today, but they fall in these three book buckets. One, reforming surveillance. Like I said, one of the key ones there is upgrading the analytical toolkit.

Some of the models and the ways that the International Monetary Fund does its surveillance are not exactly aligned with the kinds of thinking that we need to do now. First and foremost, one of the things that's on the agenda over the next year and a half is reforming the debt sustainability analysis for low income countries. Those need to be able to anticipate the climate shocks that will happen and the impacts that will have on the cost of capital. And they also need to anticipate the massive amounts of stepwise increase that countries need, not to just get a country back to the levels of anemic spending that they had before all this started. A key thing also is aligning the lending toolkit. The RST is a first step in the right in the right direction. But the majority of countries go to other programs that are not necessarily aligned with our climate and development goals.

We call, like the Prime Minister mentioned, that the World Bank has paused clauses in its loans. We call on the IMF to also have pause clauses on its loans. The IMF has something called the Catastrophe Containment and Relief Trust, the CCRT, which is actually a debt buyback program for some of the most poor countries, unfortunately, only has $70 million in it right now. We call for a massive replenishment and expansion of that. And also it not being eligible just to the poorest countries in the world, but to the most vulnerable countries in the world in the way that the Prime Minister expressed. We also think that the workhorse programs that the fund have should not always be focusing on fiscal consolidation, but rather on resource mobilization.

We released a report earlier this week that showed that IMF programs are strongly associated with deforestation in developing countries. And I'd be remiss if I didn't mention a report by Homi Korus and Charlotte Rivard and from Brookings that came out earlier last year that showed if the IMF had expansionary fiscal policies aligned with our climate and development goals rather than fiscal consolidation, countries would grow faster, pay back their debt faster, and have better creditworthiness than they would under fiscal consolidation. On top of all these reforms, the IMF has to be a leader. Their managing director has been a large leader on many of these issues, and we need more from them. They really need to fit, fill this macro critical link in the system, recognizing and applauding and really trumpeting the need for a stepwise increase in financing, but making sure that it's done in a fiscally sound in a financially sustainable manner.

We also think one of the things that the fund, especially at the board level, can do, echoing Bridgetown 3.0 and what we heard the Prime Minister say earlier is to have new issuances of special drawing rights. We have a political environment where there is not the political will of the global taxpayers to be able to invest in these institutions over time. Special drawing rights, according the IMF has been have been a very useful tool since 2021, not only in the issuance of them in themselves, but in the reach handling of them, re channeling of them to some of the trusts in the IMF. We channeling them bilaterally to countries and also channeling them as hybrid instruments to multilateral development banks to provide that longer run finance. I'm going to end there because here comes Amar to grab me off the stage. I'll leave with two great quotes from the G20 four and the B20. Thanks so much.

BHATTACHARYA: Thank you. Kevin, I would have given you a lot more time. But we have a we have a really rich panel waiting, and I want to call them on to the stage. His Excellent Excellency, Dr. Olavo Correia, a Vice Minister, Vice Prime Minister of Cabo Verde, there. And he also serves as the Finance Minister and Business Development Minister of Digital Economy. He was the Governor of the Bank of Government today. So please Minister to Deputy Prime Minister. Next, if I could call Ketleen Florestal. She also has a dual portfolio. She is the Minister of Economy and Finance, as well as the Minister of Planning and International Cooperation of Haiti.

She previously worked in both the institutions that we are going to talk about the IMF and the World Bank so very familiar with the central issues there on the side, so please, let's use this side. I should have, and your name is on the J. Thank you. Third, let me call on honorable Dr. N.K. Singh, well, I'm one of his greatest admirers, so it's a special privilege. Those of us from India look at him as our wise counsel and guide for everything. But most recently, he co-chaired the G20 Independent Expert Group on Strengthening MDGs with Larry Summers. He also served as the Chairman of the 15th Finance Commission. That is really a central body of kind of fiscal policy and reform. And he has had a career that is just too long for me to read out here. So I will with that, just say that he will be very much commenting on the India's G20 agenda, its implications, including for MDB reform.

Unfortunately, the minister of Ghana, Dr. Mohammed Amin Adam, is had an emergency, not able to make it. But we have Samuel Arkhurst, Director of the Treasury and Debt Management Unit of Ghana. Yes, please. And Ghana's significance, of course, is threefold. First, it was the chair of the it was the chair of the B20 at the time when we had the agenda from Accra to Marrakesh, which is very significant agenda. I'm sure you'll talk about that. You're also, of course, been part of the G20 for set up, which is very important. And finally, you've been in the frontlines of many of the challenges, especially on debt. So we will get to hear from you. So with that, I'll take a seat myself. So I'll begin with the Vice Minister and Finance Minister of Cabo Verde, Mr. Correia.

So you have been a champion of IDA and the role that IDA has played as the concessional lending arm of the World Bank at this time, given the very, very difficult for circumstances that low income countries face both on climate action and the SDGs, the role of Ida has never been more important. African governors asked for a replenishment, and the Bridgetown initiative calls for a replenishment of about 120 billion. Yet that seems not in prospect. The G20 expert group that Dr. [inaudible] led called for a tripling of Ida by 2030. So in your view, given that this is the year of IDA 21, what does the Global South need to do and what how can we really come behind a really ambitious idea at this point in time? And I would be remiss if I didn't also say that how can IDA really also become effective instrument for tackling vulnerability, including vulnerability, as we heard from the Prime minister of vulnerable middle-income countries?

CORREIA: Thank you very much. Let me speak Portuguese and my colleague can translate. It's a big challenge mobilizing the 20 billion U.S. dollars, but it's a challenge that we have to mobilize everyone. First, first to thank for the invitation it's an it's a privilege to be here. The truth is that the greatest challenge that we have in front of us has to deal with poverty and extreme poverty. Just two numbers for the reflection. In Africa, 50% of population Do not have access to energy, Do not have access to water and do not have access to sanitation. That means we have half of the population that live and sub-live. It's unthinkable that a continent that has the most resources that we have to face the reality. At the same time, every year, 20 million youth and woman go to the employment. In ten years it will be 200 million.

For me for women and youth that look for jobs and the market cannot respond to not even 50%. This is the huge challenge that is the African continent is facing. When we at this problem, it is not only an African problem, it's also a world problem. Until 2050 25% of world population will be Africans. In every day that goes by, the world becomes more African. If we cannot resolve this challenge, we cannot have security or peace. If we will look at the global public good, even just looking at the climate, We have to also mention the youth and employment in woman employment. For us to respond to this, the African continent has to double its economic growth and has to focus in three important sectors. Or five. Human capital. Quantity of goods. Connectivity. Digital transformation, climate action, and the economy is diversified towards a private sector. and have to invest billions for this to happen.

And today we are facing a poly-crisis. An unemployment crisis. And a debt crisis. An inflation crisis. And a Sanitation crisis. And a poverty crisis. And we have to mobilize resources to transform the continent. Not just in the interests of Africa but in the world interest. We have To make a loud message to all the institutions and all the philanthropic, all the institutions For Africa to fight this challenge. in the face of Covid-19, and facing the war around the world there's always, we always find resource To mitigate this this crisis and Has to be, we have to find a resource to fight poverty in Africa. It's a shame what’s happening in the continent and of course, it is a shame for the entire world. And let's have our energy that we can make this happen. But the leadership has to be the Africans.

The leadership and governance has to be the capacity to transform and change has to be internal and the leadership has to assume this. No creditors or partners, they cannot substitute the leadership of Africans. It's going to be very important, IDA 21, it's going to be very important that can produce impact. Guarantee Energy, water, sanitation, to all Africa and the developing the world to combat extreme poverty and to reduce poverty. and we will have a Peaceful world not only for Africa, but for the entire world. So this is our message.

BHATTACHARYA: Thank you. We are. Thank you. Vice President. Prime Minister. So since the remaining panelists do not have translation, you would be given half the amount of time.

CORREIA: Okay. Okay.

BHATTACHARYA: So I.

MOTTLEY: French?

BHATTACHARYA: We do not have a French translator. So in any case, I was going to turn to you next. Minister Florestal, of course, are a member of the G20 for you know, you live in very challenged circumstances in our vulnerability. And your own personal experience has given you deep knowledge of the IMF and the World Bank, given that you served on the boards of both. So from that perspective, I mean, you know, as the same question that my colleague asked Prime Minister Mottley, which is what would you see really as the key reforms at this point in time that would serve really the interests of the G20? Four And within that, the, there are those who are most vulnerable in terms of the shocks and in terms of, you know, the achievement of the SDGs.

FLORESTAL: Thank you very much. Let me start by thanking Boston University for hosting this very important talk. And Professor Gallagher followed a presentation of the panel of the task force on the IMF addressing climate change better. I just changed the name of the report, but that's basically what it is. I also am so grateful to Prime Minister Mia Mottley, and after hearing her speak, I'm like, okay, is there's something else to add? But, I think she summarized it well.

It's urgent that we do differently. It's urgent that the IMF, the IMF has gone through a lot of mutations, should I say, some progress in considering other elements of what's macro critical? It inserted poverty at one point and then went right now considering climate change. But I say considering because it's not sufficient. And fiscal consolidation is important, but it cannot be the final goal of a program, just as you sometimes consider. Exemptions in the program for ceilings in that if they are used, if your investments are used to increase growth, there should be a link in what is being done in a program with how it allows you to lose more. Less GDP, less human capital, less physical capital after a disaster.

So in the program, there should be a tool for countries that are very vulnerable to climate change. And my country is one most of the countries in the Caribbean are. There should be a tool that links what you're doing, not just to fiscal balances, but how the program is going to allow you. And in that there are issues of financing, having access to greater financing. Leverage that preoccupation to determine besides just the percent of quarter that's linked to this or that instrument. Leverage that will allow you to have more access. Leverage that to allow you to have a more stringent, less stringent program in terms of what quantitative variables they are following. And I would say. I don't know if I'm repeating I'm Prime Minister Myanmar, but I do believe that the vulnerable countries need a greater voice. And for that to happen, there are different suggestions on the table. One of them obviously is accepting the G20 as a member, a full member or a full interlocutor. Like the G20 and others. But I do believe on the inside too, there should be mechanisms inside the board, inside the IMF, so that vulnerable countries have a greater voice. I know that there exists a small country ad hoc committee that the board has created.

It is true that small countries are usually more impacted a Mostly, but the definition of small country just goes by population. We are not small. We are said, for example, Haiti. And so we wouldn't qualify as a small state, although we qualify, as you said, in the UN. And I think there should be more focus on vulnerability both at the IMF and the World Bank. The World Bank has started also focusing more on reliability to determine access to funds in India. But for the IMF, I think there should be more voice to vulnerable countries so that it's taken into account both in surveillance and in programs.

I should also add that maybe others have said it there is an urgent need not just to be put to work to replenish. Like Prime Minister from Cabo Verde said, the Ida funds. But also there's an urgent need to replenish the P.A. society and those that cater to our countries. So there is the formula of percentage of quota, but then it's really capped by the amount of funds available for everybody that needs it. And there is an allocation that said from the beginning saying how much is going to be left if we give this country. So it doesn't really respond to how much the country needs, but more to how much money is available. That said, we think that the IMF is on the right road. But I think there is a big job to. To make sure that countries who are vulnerable to climate change and not just climate change, like a country like my one, we have many shocks to deal with at the same time. And climate change is one of them that's impacting us.

And I would say almost silently, because people forget now, because there are so many other shocks that we are living as it's violence right now. But there has been hurricanes in the remote denial of the Spanish when it comes to earthquake. Thank you. There has been all kind of shocks and there's the silent destruction of climate change happening every day. And it seems to be put aside. And let's just there's the IMF. It seems like everybody reacts to the new shock, but there's this silent shock that's killing our economy and killing our capacity to produce and our survival. And it's not sufficiently addressed. And of course, like many countries like ours, our capacity more than ever is restrained and our capacity to attend to many emergencies at the same time is not there. So we need systems at the IMF and at the World Bank that said the IMF, so that even if we don't have the capacity to attend it, it's ingrained in the way the function of countries like ours. Thank you.

BHATTACHARYA: So that that is really the critical agenda that Prime Minister Mottley said of shock proofing our economies and getting the international support for it. So thank you for underscoring that. I want to pick up on the other element that Prime Minister Mottley mentioned, which is I call it personally the investment imperative and the investment opportunity that comes from climate action. And, you know, a seminal report in that regard is the one that you led. Dr. N. K. Singh, and particularly because that report makes the case that you can only transform the system to produce long term affordable finance if you completely revamp the MDB system. And it's not a question of sort of marginal change. It's really about fairly, fairly radical transformation.

And there are a number of proposals in your report. As you look at that report, as you look at the progress being made. You know, what is your assessment and how do you think particularly the South can work together in terms of delivering that ambition that you laid out in your report? I mean, yes, I do.

SINGH: But thank you very much. And I thank you for this enormous opportunity and the privilege of being here for the second time. Prime Minister recalled our last meeting here at this time. And thank you for this opportunity again. I think that the issues which have you have raised are pretty fundamental Prime Minister Mottley's words for the existential, because it will begin from the scratch. Go back to the drawing board. The world always has an option, but forget about Bretton Woods. When I go back to something which economists called this whole idea of a Schumpeterian idea of creative destruction, should we have not begun with saying that these institutions have outlived their utility? After all, the first Bluestone report, Prime Minister, you will recall, they talked about creating these institutions from their very inception because the entire rationale, the philosophy, the ideological approach, the way in which the world seemed at that time is unrecognizable to what it is today.

So why did we opt out of that and move in the direction of trying what, Amara, you said to fundamental restructuring it by seeing whether a restructured version could be better suited to today's challenge. What did we do proceeding on this trajectory of not seeking the total creative destruction, but a total creative re-modification, which is what the two reports did. First one we call the triple. Why Triple? One of the fortunate factors, I think that they, that lovely expression used by Prime Minister to say has a needy move. And she said, yes, the needy has moved and moved in triple ways. Who subscribes to the idea of the triple agenda which we called in our first report?

First, it has moved in, recognizing that poverty and shared prosperity was symbiotic. If we embed in it a livable planet, the fact that they took a long time, 80 years for the World Bank to recognize that climate was important and so on, and now is part of the mainstream lexicon of the World Bank talking in terms of shared prosperity within a livable planet. Certainly moved, the fact that funds are not regarded. Yes, I entirely agree with Prime Minister that the final resort, whether you do SDR earmarked for these funds, are fungible.

The idea is to have a much bigger envelope and within that to try and see how the vulnerable countries, parts of the world which have no electricity I think that she made a brilliant statement that the four parts of the world is asked to choose between fossil fuel or renewable fuel. They must have some fuel. And I think that you are absolutely dead on target in making that suggestion. It has moved. The availability of finance has moved substantially. In terms of the time frame after all, look, the fact remains that two years ago, if you met here, this was a language we would have talked about. The fact that these issues are being discussed in a very meaningful way suggests that there has been significant change in the psyche and the consciousness of the international community. Has it been enough? By no means has it anywhere near expectations.

Triple finance by taking finances from concessional, non-concessional sources to close to around 400 billion, with getting another 500 billion from private capital resources and so on. That's not, does not seem to be on track. The fact that harnessing private capital by reducing risk, vulnerability and improving the overall regulatory culture for private capital to come in has not moved decisively enough for us to fear that now the problems are equally have the processes and procedures of these multilateral institutions. And that goes to the heart of something which you are mentioning. Far too many processes on the governance structure checks and balances can be so enormous that it defeats the entire reason for the author of the change. That requires fundamental change. Has the psychology of the Bretton Woods Institution and those who work on it, has the psychology been one that I will not, I not only I would be so risk averse.

And I will take so many precaution that I'll take no risks. The need to have informed risk decision making to get out of your comfort zone to be able to harness private company. That I think is a change which is still throughout the use of the time frame which we have been. Well, so in terms of making it therefore better. Somewhat better. Yes, but to reduce the disbursement time with full marks to the president of the World Bank, who's quite a mover and shaker and not of decisive change, But to very frankly, for someone like the Prime minister or even me, to accept the time taken from conception to disbursement of the World Bank has it has come down from 24 months by 3 months. Is that situation with which we like to be comforted in the fact that there has been more outflow of private capital than inflow in the last one year that is reckoned for?

The fact on terms of repayments, the net incremental increase in concessional, non-concessional finance has been not positive, but perhaps negative. Is that something that is fair, that is a better bank that the multilateral development banks as a family court, or with a psychology that notwithstanding the fact that they are run by diverse ways in which the autonomy is accountable to their own executive boards and to their own shareholding. Working as a family requires a fundamental mindset change. Yes, the one retreat which they had did bring about some harmonization on accounting procedures, on procurement procedures, in terms of allowing the balance sheet of one, to supplement and enhance the balance sheet of the other, which will really prove the point that the whole is significantly more than the sum of the parts. Has that happened?

That's the question on which we need to answer bolder. I mentioned about the fact that the risk aversion being able to harness innovative capital. Yes. On guarantees changes have taken place. The Prime Minister was generous enough to recognize that MIGA has changed the fact. But is 20 billion guarantee adequate? Yes. The International Monetary Fund has been at the vanguard of many of these changes, but some of the complex issues on governance, of quota, on harnessing the full value of the SDRs, have you satisfied that is adequate enough to meet the challenges of today? Am I like to stop here but to say and answer in an affirmative way and assure the Prime Minister that Bridgetown one, Bridgetown, two, Bridgetown three, which is symbolic of the bringing of the South together in being able to enhance the consciousness of human society to address these problems, that has been a very fundamental change.

We are significantly in a much, much better place than we were two years ago. But because time is not on our side, not events necessarily unfolding in ways which would be favorable to us, alacrity and speed in maximizing this limited window of opportunity is what and where I think that the voices of a conference of this nature and leadership that you have provided, Prime Minister, has been one of the fundamental factors to drive capacity. I would end by saying that I remain optimistic. I remain optimistic because the change has been significant. It had been meaningful. We need to continue in our dialog. We need to engage with each other and keep this trajectory going so that the attention and the consciousness of the world remains focused on problems which you very correctly described are not only important and indeed existential. Thank you again.

BHATTACHARYA: Thank you. Thank you so much. And as we said, we are also running out of time on this panel. It started late, but nevertheless. So I'm just going to Mr., of course, to ask you really very succinctly to just say the contribution of the B20 at this point in time and, you know, and how do you see the implementation of the upgrade to markets agenda? I apologize that, you know, we are out of time that you can see. And then I want to give some closing remarks to the Director of the G24. Thank you.

ARKHURST: Thank you very much. When I had to restructure interior modifications from the last speaker, I got a little bit nervous because we just finished a comprehensive restructuring exercise. And I think it's important to note that the vulnerabilities, especially for the countries that have been mentioned or such in here, form a two prong. That's from the debt vulnerability and also the climate vulnerabilities. And if you watch, both of them are moving in sync. If you take out Africa, I'm sure that you may not find a single country that's at a low risk of debt distress, the all in the high, medium or even at a high debt distress. And at the same time, you have the issue of the climate change affecting each and every one of them. I move quickly from there to the toolkit that we mentioned because that is extremely important in the analysis.

You will see that there is either a bi-directional way of economic risk leading to financial risk or financial risk leading to economic risk. But when you have climate risk operating, it can trigger either economic risk or it can trigger financial risk. In our case, if you take the debt restructuring and you take the fund program, I see two points that can be concentrated upon internally because the IMF looks at internal imbalance and it's an imbalance internally. Why don't we see the ecosystem of the trees, the ecosystems of the of the beach and those that help with climate resurrection as part of the ecosystem for determination of economic wealth? At the same time, if other economies breed actions that lead to climate changes, the external and then the affect the individual countries on both sides. These two are operating in two different directions.

How does the toolkit address that? And in this case is interesting because as we just completed, we just finding ourselves in the midst of a drought that has wreaked itself. And the first macro trigger is

September inflation inching up away from the norm. The option you got is fiscal adjustments. But is that a tool when you have a structural problem may not have emanated from within, but then you are adjusting for the fiscal and that affects the poverty that you see here. In summary, in short, because we've gone a bit far into this, I think key lessons. If I listen to His Excellency, Excellency the Prime Minister, the voices are going into forests, but who is listening to them? She made reference to all of us who have been eating. In the next few hours, we're going to eat. When you have a climate change affecting you in our somebody is going to get hungry. How long are we going to take for the voices to be heard? And we will listen because we would like to change if we change because we're going to have resilience. If we are, resilience is because we want to have improvement in our daily lives and then be able to have improvement in our development actions. Let me hold you for pointed actions. Thank you.

BHATTACHARYA: Thank you. Thank you very much. So if I could if I could ask just to be efficient, if I could ask the panelists to stay on the stage and I will ask Dr. Masha to come to the podium and offer some concluding remarks.

MASHA: Distinguished guests, Mr. N.K. Singh, the head of the Independent Experts Group on MDB Reform. Ketleen, dear friend, who is now a Minister of Finance, Honorable Deputy Minister of Ghana and the Deputy Prime Minister of Cabo Verde. Now, I want to thank you all for finding time to join in this discussion. I know that a lot has happened over the past 3 or 4 years, I would say, and that is how, together with a lot of advocacy from think tanks like Brookings, like the GDP Center, we now have climate at the very top of the global discourse. And that wasn't really the case as recently as ten years ago. So I think that speaks to the usefulness of the job that think tanks do, the job that students do research in these issues. And by bringing these, we have seen some changes in the way that organizations like IMF do their job.

Just this year alone, IMF has made some changes to the debt sustainability framework and to the, some of their programs just based on the kind of advocacy that they think tanks are doing. So for that reason, I think there's a lot to be happy about. But I still, have a long way to go, a long way to go in addressing the vulnerabilities that countries face. When I listen to the different interventions, we cannot just say that all that problem is climate because somebody else has debt challenges. I know that has issues around poverty. And then there is the issue of a post-conflict society, a society riddled with violence. So all of these are coming together. And it is only by this kind of discourse the way as civil societies that we push the international organizations a little bit more and more, that we can achieve substantial progress. In terms of what I see going forward, I see, I think, the reform of the organizations so that they have the resources to attack these different problems.

That is that should be front and center. It doesn't matter whether they are willing to lend out at almost free or close to free if they don't have the capital, if they cannot mobilize the capital or they are willing to undertake capital increase, they just won't be the resources to address this kind of issues. And I think the reports on the triple agenda, the report coauthored by Mr. Singh speaks well about this this this particular issue of resource. So all in all, I think it has been a very engaging session. I thank my predecessor, Mr. Ahmad Bhattacharya, for my director of the G24 for inviting me to this event. And I thank Kevin Gallagher, too. Thank you.

BHATTACHARYA: Kevin, do you want to say anything about the reception or whatever?

GALLAGHER: No.

BHATTACHARYA: Okay. So there's a there's a reception that follows this this event, which is hosted by the task force. So you're welcome to stay. And it was real pleasure for me on behalf of Brookings to be able to organize this event. You know, the issues that were discussed here really require the word that the prime minister used solidarity, common purpose and real shared commitment. So we hope that all of you, you know, benefited from this event. But we also call on you to be part of the groups that will implement the vision that this the prime minister and this panel set forth. So with that, let me close this event. Thank you.