

AFTER COVID-19, NEW THINKING ON CREATING REAL VALUE AND FINANCING THE SDGs?

Tuesday, April 13, 2021

01:15 — 02:45pm

Videoconference via Zoom conducted by CIFA

“This event has been co-hosted by the Permanent Mission of Uruguay to the United Nations”



Permanent Mission of Uruguay
to the United Nations

Introductory Remarks – Tony Mahabir, President of CIFA

Good afternoon Excellencies, fellow heads of NGOs and distinguished guests!

On behalf of CIFA, I also want to express our deep and profound gratitude and appreciation to our co-host: The Permanent Mission of Uruguay to the United Nations and in particular His Excellency Senior Alejandro Katz!

The achievement of the UN 2030 Sustainable Development Goals could get significantly side tracked or delayed if we face another financial crisis!

However, we are living in “fantasy land” if we think that another financial crisis and its destructive behavior are behind us.

We are currently still calculating the “financial destruction” as a result of Covid-19. So far, 225 Million jobs have been lost worldwide and the International Monetary Fund projects that, even with the \$18 trillion USD that has already been spent to stimulate economies around the world, the global economy will lose \$12 trillion USD, or more, by the end of 2021.



From CIFA's point of view, the question is not whether another "financial crisis" is looming on the horizon, but instead how do we create a "resilient, sustainable, and inclusive" financial infrastructure to mitigate wealth destruction?

Similar to the broader acceptance on the street with these evolving times, that the world will be entering a "New Normal" post Covid-19, one can't help but wonder:

- ▶ Is Monetary Policy going to transition to a "New Normal" as well?
- ▶ Are the traditional fiscal incentives going to be replaced by something newer?
- ▶ Is Multi-lateralism dead and a thing of the past?

The old adage by the French writer Jean-Baptiste Karr stated in 1849: "plus ça change, plus c'est la même chose" ... in English: "the more things change, the more they continue to be the same".

Allow me to share a few but significant things that are as relevant and permanent in the post-Covid era as they were pre-Covid:

1. Society and the private sector have to create real wealth, as they have in the past.
2. Sustainability is wealth creation!
3. Subsidized economies were not sustainable in the past and probably won't be in the future. Let us not promote "addiction through subsidization".

We all know that human capital and personal empowerment cannot be realized to its full potential unless we eradicate poverty, and promote financial literacy and accessibility.

Finally, could externalities like the creation of "new currencies", "digital gold" if you will, aka crypto which can be issued without a central bank, be the next weapons of wealth destruction or could it be strategically deployed as a tool for greater liquidity around the world?

We hope our debate today is not only insightful, but through divergent views we can come to agree on a common set of values and shared understanding to address these highly complex and international challenges before us!

If this modest goal is achieved today, then CIFA would have met its mandate to contribute constructively to this wonderful 2021 Financing for Development forum by the UN!

So let the great debate begin. I turn you over to our influential Moderator, Dan Mitchell!