



# The *Carawan*

October 2023 • Volume 43, Issue 1

## **IMFRA 43rd Annual Meeting** Addressing Uncertainty and Managing Volatility

*Peter Swain*

**T**he 2023 IMFRA Annual Meeting was held on Tuesday, May 16 in the form of a zoom webinar. Following an introduction by emcee Cathy Wright, the meeting commenced at 1:00 p.m. with a presentation from Julie Kozack, Director of COM. This was followed by presentations from the head of HRD's insurance team, Juan Sobalvarro, assisted by IMFRA Board member Greg Mordin, and Derek Bills, Director of the Investment Office. In addition, there were reports from IMFRA President, Sheila Meehan, IMFRA Board members Anne van Wylick and Cathy Wright, IMFRA Treasurer, Ali Salehizadeh, and Argerly Cooke of the IMFRA Election Committee.

### **Navigating Global Transitions**

**Julie Kozack**

#### *Spring Meetings*

Julie's presentation focused on key themes and takeaways from the recent Spring Meetings which took place against a backdrop of high uncertainty. This uncertainty reflects a slowing of global growth and higher than expected "sticky" inflation. Also of concern is the divergence in growth rates between countries, with low-income countries particularly hard hit.

Adding to this uncertainty have been a number of very large and rapid transitions, including the shifts from easy to tighter monetary policy and from fossil fuels to renewables, the digital transformation, and the move to a more fragmented world of different trading blocs.

#### *What it Means for the IMF*

The membership is looking to the Fund for research and analysis in a broad number of areas including macro-financial analysis, the role of trade, structural reform, inflation, debt, the financial sector, and global economic fragmentation. The membership is also seeking the Fund's support for increased lending. Since October 2022, there

have been 23 new programs, including 3 precautionary facilities, for a total of \$41 billion. The Fund has also reexamined its lending toolkit, including access limits under the GRA, conducted a review of its financing assurances policy, and will review its precautionary facilities in the coming months.

Besides the Fund's traditional areas of policy advice, analysis, and lending, Julie noted, capacity development has become increasingly important with a significant increase in delivery to fragile and conflict affected states. In FY 2023 there were 1,321 capacity development projects in 173 countries, two-thirds of which were low income, fragile and conflict affected states, or small states.

Julie next turned to two areas in which the Fund is investing much effort. The first is addressing debt sustainability. Currently, 15% of low-income countries are in debt distress with another 45% at risk of debt distress, public debt ratios are increasing although not to the same level as in the decade when the HIPC initiative was launched. Another challenge is that the credit landscape has evolved from where most debt was held by traditional official bilateral creditors (G-7 and European countries) to where the entry of new official bilateral creditors, including China, India, and Saudi Arabia, has made the landscape more complex.

In response, the Fund, World Bank, India, and the G-20 chair have created a global sovereign debt roundtable to bring together all creditors and borrowers to address debt issues for countries in debt distress. Some progress was made by the roundtable at the Spring Meetings on information sharing and the role of multilateral development banks and it is now focused on moving ahead with the cases of Ghana and Zambia.

The second area of special effort by the Fund is seeking the membership's support for sufficient financing for the Poverty Reduction and Growth Trust (PRTG) and the Resilience and Sustainability Trust (RST) to reach their targeted levels of resources.

*Continued on page 4*

# On the Interconnectedness of Science and Religion

*The following is an edited conversation between Augusto Lopez-Claros, Executive Director of the Global Governance Forum and the host of its podcast, with Steven Phelps. The original interview can be found at <https://globalgovernanceforum.org/podcast/steven-phelps-on-interconnectedness-science-religion>.*

**Augusto Lopez-Claros:** Historically, most people's perception of science and religion has been that they inhabit separate worlds. Is that ancient conflict partly explained by a misunderstanding of the aims and methods of science and religion?

**Steven Phelps:** From the perspective of science, we think of human values that are religiously motivated, as being fundamentally arbitrary dogmatic formulations imposed upon people for the sake of power or control. The purpose of true religion is to express the essential relationships not the human constructs that have emerged. From this viewpoint, spirit is the emergence and evolution of consciousness over time. When you zoom in everything looks random, but when you view events in the universe at large enough scales and over a long enough time span you begin to see that consciousness is evolving and has a direction. The purpose of both science and religion is the progressive unfolding of consciousness.

**Augusto Lopez-Claros:** What role can religion play in the search for solutions to some of the global challenges that we confront?

**Steven Phelps:** The role that religion can play in the search for global solutions is not so much reading out of it a detailed blueprint for action, but rather, delivering to humanity a deeply rooted awareness of interconnectedness that gives rise to true empathy and a desire to understand and relate to the other. This deeply rooted awareness and the capacity to transform human consciousness in this way does not necessarily have to take place across all eight billion people on the planet. A few people so transformed can change the character of a society or a civilization.

So, my first point would be not to see religion so much as a specific source of solutions, but rather as a leaven that transmutes consciousness, which then enables different kinds of social, governance, and economic structures to emerge. I believe the religious future of humanity involves not so much a top down and authoritarian kind of framework, but something more bottom-up, organic, and not at all clergy driven. Ultimately, these sorts of structures best unlock individual human potential and the best means of advancing consciousness.

**Augusto Lopez-Claros:** Do you see a connection between religious principles and governance?

**Steven Phelps:** In a universe aiming towards the advancement of consciousness, I imagine the goals of governance would be to maximize individual human flourishing and potential. These kinds of governance structures would contrast with those mainly concerned with maximizing

collective material prosperity. For example, a governance structure which is essentially authoritarian, or which tends to enforce a high degree of conformity, would be one which does not advance consciousness as well as one which tends to encourage individual expression. Democratic structures, for all their messiness, have the potential to better unlock the true power and diversity of human potential than more authoritarian modes of governance.

What makes it difficult to think objectively about religion having a role in governance is that we see religion as primarily authoritarian in form and substance. We don't really have a model for the future, but my guess would be that new governance structures are going to be enabled by spiritually transformed individuals that are conscious of the interrelatedness of things. If we have a world in which individuals are, in the main, no longer primarily motivated by self-interest, that will open up models of governance that don't exist today.

**Augusto Lopez-Claros:** We are living in a time of seemingly endless global conflict, political polarization, and distrust in our established institutions, How can this principle be translated into our day-to-day reality and our modern political discussions?

**Steven Phelps:** Diversity is essential. It is not about everyone on the planet embracing a single correct dogma or belief system, but rather, the religion of the future is one in which a persistent diversity of perspectives reaches down to the very roots of how we see the world and what characterizes it.

Diversity and differences are characteristics of humanity to be embraced. We come to understand that everyone is in a different place and has a different way of looking at the world. These different ways of looking at the world are a source of our strength and resilience as a species.

Imagine a future global civilization that has maximized the development of consciousness by maximizing the freedom of individuals within the constraints given by the material limits of the planet. A religion that enables this kind of individual autonomy to flourish to its maximum degree will be one that not only preserves and celebrates the intrinsic diversity of the planet, but which sees an acceleration in the advance of consciousness.

**Augusto Lopez-Claros:** According to Bertrand Russell, who had some influence on my early intellectual development, "the loneliness of the human soul is unendurable; nothing can penetrate it except the highest intensity of the sort of love that religious teachers have preached....and that in human relations one should penetrate to the core of loneliness in each person and speak to that." Can you comment on the relevance of this insight?

**Steven Phelps:** I love Russell, too. I especially love comments he made at the end of a long life, one of which was: "love is wise and hatred is foolish." The recognition

*Continued on page 12*

*On the Interconnectedness of Science and Religion,  
continued from page 11*

of the wisdom of love is not necessarily a rational step to take. It can't be reached by solely rational argumentation. And I think it's important to point out that in attempts to harmonize science and religion, I don't think we will succeed by flattening religion and making it completely rational. The insights that come from religions and great religious figures are not fundamentally philosophical intuitions that can be derived from reason.

The religion of the future in its essence is not, I think, going to be any different from the essence of Christianity or of Buddhism. Everything in religion changes. All the laws and ordinances, even the theological systems change. There is only one unchanging, eternal principle behind it all and that's the law of love.

Our everyday conception of the world is that it's divided into separate things, and is a struggle for survival. But zooming out and looking through the eye of spirit,

one ultimately sees the interconnectedness underlying things and an ever-evolving consciousness. The threads of interconnection that unite one heart with another, unite one religion with another, one race with another, are invisible. They cannot be seen or measured with our scientific apparatuses. We are all part of an entangled web of relationships.

*NOTE: Dr. Steven Phelps is an American physicist, philosopher, and translator who currently resides in Oregon, United States. He holds bachelor's degrees in physics and philosophy from Stanford University and a PhD in physics with a specialization in cosmology from Princeton University. He conducted research at the Baha'i World Center in Haifa, Israel where he coordinated the indexing of the Baha'i writings under translations from Persian and Arabic into English. During that period, he also held academic posts at Technion University in Haifa and published original research on the masses of nearby galaxies.*



## A Second Charter: Imagining a Renewed United Nations

*Editor's note: The following article is the executive summary of a document called "A Second Charter: Imagining a Renewed United Nations," which is prepared by the Global Governance Forum (GGF). I am thankful to the Executive Director of GGF (Augusto Lopez-Claros) for providing the above-mentioned document.*

Virtually all of the major global catastrophic risks we face today are linked to the inability of the human institutions that were created out of the chaos and destruction of World War II to adapt to the demands of a rapidly changing and increasingly complex world. This is a key driver of virtually all of the major global catastrophic risks we face today. Stakeholders from around the globe—including scholars, government officials, civil society organizations and young people—are calling for a renewed and more equitable United Nations that can address these broader threats to global security. A UN Charter Review conference to ensure that the organization remains relevant and effective in the 21st century, leading to a Second UN Charter, is now both feasible and necessary.

The UN Charter adopted in 1945 aimed to "save succeeding generations from the scourge of war." While humanity has thus far avoided a third World War and a nuclear holocaust, there have still been more than 200 wars

and conflicts leading to tens of millions of casualties. The goal of world peace remains unmet.

The Charter embedded the "promotion of the economic and social advancement of all peoples" as a responsibility of the international community, and UN agencies have played a prominent role in contributing to a sharp increase in life expectancy, a doubling of literacy rates worldwide, bringing millions out of poverty in some regions, and ensuring more opportunities for women and girls. However, the reality of our world since the UN's founding is that the consumption of resources is pushing the earth systems beyond planetary boundaries, the world's biodiversity is in substantial decline, extremes of wealth and poverty have widened, a combination of greed and unsustainable debt burdens threatens our integrated global economy and financial system, and human rights and social cohesion are fracturing. Both human and planetary systems are frighteningly close to tipping points of irreversible changes and accelerating breakdown.

The upcoming UN Summit of the Future in September 2024 is an opportune moment to advance UN Charter review, and to put forward serious proposals on ways to modernize the UN. Some insist that revising the UN Charter is politically impossible, but the alternative is unacceptable. The enormous suffering likely to result from

*Continued on page 13*