



**CIVIL SOCIETY  
FINANCING FOR  
DEVELOPMENT**  
Mechanism

# The FfD Chronicle

The CS FfD Mechanism is an open civil society platform including several hundreds of organizations and networks from diverse regions and constituencies around the world. CS FfD Mechanism's core principle is ensuring that civil society can speak with one collective voice.

## A CAUTIONARY TALE

Remember the good old times before the tariff wars, before the rise of fundamentalisms across the globe, before a widespread mistrust of multilateralism because a privileged group of countries manipulated it for their own interests? Those were the days with no debt crisis, no illicit financial flows depleting resources from Global South countries, and when there was no endangered planet due to a predatory economic system responding to colonial dynamics. Back in those days women's rights were fulfilled, and there were no inequalities between and within countries, because the International Economic and Financial Architecture used to address all the structural issues needed to deliver for people and the planet.

Or was it so?

It is true the current world is changing at light speed. In the past months we have seen an unprecedented disturbance of traditional alliances, surprising turns within the financial and economic arenas, and a major uncertainty in the global governance. Amidst these shifts, the FfD Chronicle has been surprised to sense a whiff of nostalgia for the old days among some Member States, with melancholic references to the multilateral order lost due to recent global developments. They seem eager to ratify the "business as usual" dynamics, as if hoping the current chaos was not happening.

They seem to think the old status quo was fine. But the FfD Chronicle wants to remind Member States that the old world has led us to this mess. It was only a matter of time before the current structure that reified monopoly capital would then be misused to pursue the petty interests of the wealthiest above the wellbeing of people and the planet.

It was also to be expected that due to the lack of democratic governance of the IFI's, these would be sequestered by an administration at any moment in time (that moment was last week, in case you were distracted).

What is interesting is that the old status quo is being debated (and defended!) in the FfD compilation text. What may be positive about the recent events is that there is no way back. Many shifts to expand the sovereign space of Global North and Global South countries alike have already started happening. We are also witnessing the willingness to engage in new alliances across the globe, and these may lead to novel economic configurations. The FfD Chronicle would like to think this troubled context may lead to collective efforts to agree that, for the sake of every country on the planet, only a democratic economic system can best serve the multilateral order we all need.

Will we then powder our colonial wigs to diffuse the putrid scent of the old colonial dynamics that still maraud the FfD hallways? For that we only need to say, as some mysterious groups of countries are already doing, that the UN has no mandate on economic, financial, or regulatory matters. Or, will we take a step towards a fresh new world in which the FfD outcome will ensure that the upcoming multilateralism is based on a democratic Economic and Financial Architecture? Even those who – out of nostalgia – want to preserve the old world order have much to win with a democratic global arena. Otherwise, a rogue actor could bring the entire global institutionality down, because that so-called institutionality was always made to serve only those willing to abuse power. But that would be fiction, right?

## The end of the horror show: welcome back to NY from DC!

The FfD Chronicle was in Washington DC last week, attending the Spring Meetings of the WB and the IMF. Curiosity got the best of us, since the First draft in the FfD process presented the IFI's as **the** International Financial Architecture in the Systemic Issues segment. Moreover, we had come from the first Intersessional, hearing from the floor by some Member States with a large share of shares there, sorry, quotas, that there was no need for any reform of the IFI's, even less regulation, because things were fine in the confines of the Bretton Woods institutions.

The Chronicle was extremely surprised, upon exploring the scene, to come face to face with a dystopian world. First of all, MDB staff rejected austerity measures: for the first time they thought these were going to be administered to them, instead of the usual austerity imposed by them to poor countries of the Global South. Visions of unemployment, poverty, loss of health and social protection, an increase on care burdens and unpaid domestic work for the female staff as shock absorbers (all these caused by ineffectual IMF and WB interventions in Global South countries) were now ghosts looming in the hallways, terrorizing the poor staff of the honorific IFIs.

In another room, the IMF Managing Director was praising the wonders of chainsaws and wearing them proudly on a pin as a symbol of success, while forgetting that it is Member States, not private actors, that are expected to benefit from their intervention. The FfD Chronicle still feels that the SDGs logo on a pin is a bit more lively and colorful than chainsaws; also more likely to send a positive signal about prosperity and wellbeing for present and future generations.

In another building across the street, the WB was agreeing that everything they have done regarding social agendas, gender and climate change was actually a mistake (the size of an Evolution Roadmap, no less), and that they were happy to be reminded that they had been carrying out a mission-creep on matters outside of their technical know-how for years.

The FfD Chronicle gives a sigh of relief coming back to NY, when there is still a possibility to regulate the IFI's under the auspices of the UN, while upholding the principle of universality of one seat, one vote.

We wonder what all the fuss is about with the Bretton Woods Institutions when their 80 year old structures can't remember why they were there in the first place. The promise of a democratic International Financial Architecture is so close in FfD 4, at the reach of everyone if Member States realize this is the time to dispel the ghosts of the austerity and privatization of years past, and build one that may start to deliver wellbeing and health of the planet for every corner of the world.



### SIDE EVENT

#### FfD4: The unique opportunity for a meaningful reform of the international public finance architecture

Date: April 28

Time: 1:15 - 2:30pm

Venue: CR-D

The current international public finance architecture is failing to provide necessary resources for countries to finance their developmental needs. According to the prevailing narrative, public finance is inherently insufficient and thus requires private finance to advance sustainable development. Rich countries that dominate decision-making on aid flows through the OECD DAC and MDBs have supported the increasing use of scarce concessional finance to leverage private finance. This side event will explore approaches towards a more equitable international public finance architecture, from reclaiming the regulatory role of States, to proposals such as a Convention on International Development Cooperation and a UN intergovernmental process to review and transform the governance and mandate of IFIs and MDBs.