

The FfD Chronicle



**CIVIL SOCIETY
FINANCING FOR
DEVELOPMENT**
Mechanism

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.

BRETTON WOODS OUT OF UN'S AGENDA FOR ECOLOGICAL AND CLIMATE ACTION!

The FfD Chronicle would like to say that it feels hopeful now that Article 34 of the First draft is advancing on climate finance and biodiversity agendas. However, the World Bank's Evolution Roadmap blind mantra on "private sector first approaches" and the IMF's usual recipes now applied to climate conditionalities keep on haunting us.

This Chronicle wants to remind Member States that we are on your side to support the highest level of ambition for quality climate and biodiversity finance. For this reason, we warn against relying on the IFI's to drive climate action (or even in delivering on gender equality or on any social agenda).

The FfD Chronicle said it once: the IFI's are not suited to provide support to address the ecological breakdown, and we have many examples to prove it. To praise the Evolution Roadmap for its private-finance first approach is to already give up on the planet and the potential of climate action.

Even Ajay Banga admitted recently that the Billions to Trillions agenda has failed! Using limited public resources to leverage private sector investments could take away precious public resources from key areas of climate action where private finance simply cannot deliver. Moreover, now that there is a reluctance to even say the words "climate change", how could the Loss and Damage Fund be hosted with any legitimacy in the World Bank? Same situation with the IMF: its policy of loans with burdensome conditionalities have worsened the situation of countries suffering the impacts of climate change the most.

The FfD Chronicle will say it again: not only have IFI's actions been insufficient, but they are actually hindering, not helping Global South countries to meet their climate needs. The finance model pursued by Bretton Woods institutions does not recognize the framing of planetary boundaries. Nor do they understand that the ecological breakdown is caused by the larger economic system plundering every natural resource of this planet, with the worst impacts being felt in the Global South.

Some Member States will have to recognise the limitations of BWIs in driving the climate finance agenda, especially after events in the Spring meetings last week. If the Bretton Woods institutions' governance have finally crumbled under the weight of an administration shifting away from the climate agenda alongside social issues and gender equality, then we insist with renewed strength: the world has no time to waste. FfD4 is the space in which a reform of the International Financial Architecture should happen, while ensuring that ecological and climate action take place.



FINANCING FOR WHOM? TECHNOCRATS IGNORE AUSTERITY CUTS AND FORGET TO PRIORITIZE PEOPLE

Surprise! Despite rhetoric about inclusivity, the FfD4 Chronicle has found a glaring omission in the first draft: **people**. We know this is not an oversight—it's a continuation of a decades-long mistake in economic policymaking, where abstract macroeconomic principles have always been prioritized over human welfare, inflicting suffering on billions. "Must we starve our children to pay our debts?" asked Julius Nyerere, former president of Tanzania, in the 1980s. Today, 3.3 billion people live in countries that spend more on debt service than health and education, and 6.7 billion endure austerity cuts. For too long, neoliberal economic policies have treated people as an afterthought.

At this moment in time, the FfD Chronicle warns that the FfD4 outcome risks perpetuating this awful legacy. How to amend this? There are actionable recommendations that can be included in each of the FfD chapters. Unless Member States want to make the FfD4 outcome irrelevant to billions people, the following issues cannot be ignored anymore:

- **Domestic public finance: Stop austerity cuts and prioritize universal social protection or social security, quality education, healthcare, water, care and other public services.** Adequate financing for these priorities must be integrated into national development plans and budgets, with guarantees against retrogression or backsliding during crises, in accordance with human rights and labor standards. Austerity cuts are not an option anymore! And gender-responsive budgets must be implemented to ensure that both revenues and expenditures accrue to women – half of the world's population.
- **Private finance: Ringfence social infrastructure and services from private financing.** Privatization and Public-Private Partnerships (PPPs) of public services have repeatedly failed, leading to higher costs, reduced access, and poorer services. Public investment, not privatization, is the key to equitable and resilient social systems. Mandate human rights due diligence for private investors (binding rules, not voluntary), with accountability, enforcing penalties for private actors that undermine labor/environmental standards.
- **Trade: Give policy space to Global South countries to protect decent jobs in local industries and food sovereignty.** Abandon investor-state dispute systems (ISDS) that override public interest. Trade policies must maximize social benefits and mitigate adverse impacts.

- **Debt: Agree a UN Framework Convention on Sovereign Debt** that ensures that debt service does not result in social spending cuts.
- **Technology: Tax Big-Tech and address the negative social impacts of Artificial Intelligence (AI)**, such as job displacement and wealth concentration. Adequate social protection measures must be enacted for those affected by job losses, and AI-driven profits must be taxed to redistribute benefits back to society.
- **As part of the reform of the International Financial Architecture, it is time for a real reform of the IMF and the MDBs to shift voting power to the Global South and to end their support to austerity policies that harm people.** Adjustment programs, as well as surveillance policy advice, often cut/rationalize necessary public services and benefits for women, children, persons with disabilities, pensioners, and the unemployed, just for cost-savings, leaving only a minimal and insufficient safety net for a percentage of the poor. These measures violate human rights law, including labor standards, approved by all countries. Yet these institutions will not truly reform themselves. It's time to bring their governance, mandate and role into a democratic UNGA process for review and transformation.

SIDE EVENT

Feminist Perspectives and Recommendations on the Fourth International Conference on Financing for Development

Date: Tuesday April 29, 2025

Time: 1:15 - 2:30pm

Venue: CR- TRI

The side event will illustrate how gender justice and women's human rights perspectives are fundamental to shaping the outcomes of the Fourth International Conference on Financing for Development (FfD4). Specifically, it will emphasize the urgency and feminist foundations of a Sovereign Debt Convention and an IDC Convention. It will also offer actionable steps rooted in feminist principles to incorporate social reproduction, ecological integrity, and women's human rights into transformative international financing frameworks. And finally, it will strengthen alliances by encouraging collaboration among feminist groups and intersectional movements together with allied member states and UN entities to unite around a transformative agenda in FfD4.