



ECOSOC Forum on Financing for Development (FfD4)

NY, 28-29 April, 2025

Kamal Ramburuth, Institute of Economic Justice of South Africa, on behalf of the CS FfD Mechanism Intervention delivered for Topic 1: The IMF's Contribution to Financing for Development Agenda: Its Role in strengthening global macroeconomic and financial stability – a deep dive

Funds and banks that were promising to save the world, only six months ago, have turned inwards and are now only trying to save themselves ... from their biggest shareholder.

Earlier this month, fearing US withdrawal from the IMF, the former US representative at the Fund made a plea to the new US government to stay. She reminded the world that: "The IMF is a good deal for the United States. As US Executive director, I engaged regularly "to help shape and support IMF lending in a manner that helped advance US interests and reduced Chinese influence." She also argued that the 16th IMF quota review actually bolstered the US vote share.

Excellencies, are we stuck in a changing world, unable to create governance structures for economic, monetary and financial sovereignty of the global South? What of the Spirit of Monterrey?

The systemic debt crisis has shown that while developing countries may have membership in the IMF and World Bank - these are **shareholder-based** institutions that serve the interests of its **largest shareholders**.

We need a UN Sovereign Debt Mechanism to replace the shareholder governance structure with a **democratic** one. One that is inclusive. One that is legitimate. This is **not** duplication - this is **democracy**.

We cannot reduce the international financial architecture to the IMF, because it has become dangerous for global economic decision-making to rely on an institution in which **one country** has a veto power.

We support the proposal by the LDC group to initiate a UN intergovernmental process to review the governance structures of IFIs. We propose their mandates and roles are included in this comprehensive review with an ecosystem perspective.

Excellencies, these institutions will not reform themselves. Multilateral UN processes are needed.

We cannot afford to freeze with despair in this interregnum. We can only find hope in knowing that new worlds are not born. They are built.