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.

DEVELOPMENT, KINDLY BROUGHT TO YOU BY CREDITORS

On Tuesday, the Forum heard from the Bretton Woods Institutions, credit rating agencies, and major multinationals like Mastercard, about how these institutions are supporting the Financing for Development Agenda.

What do these esteemed speakers have in common? They are either creditors themselves, work for creditors, or both. Why does that matter?

CREDITORS SHAPING OUR GLOBAL FINANCIAL ARCHITECTURE

We are meant to be reassured that credit rating agencies are continually updating and refining their methodologies. But for those paying close attention, the CRAs shared why they do this: because it's a regulatory requirement and because it's ultimately in the interest of their clients, i.e. creditors.

We are meant to be reassured by Mastercard's generous work of expanding and digitising cross-border financial flows, but who does the introduction of user fees, exposure to volatile capital flows, and reliance on private intermediaries really benefit? Marginalised communities in the Global South, or Mastercard's major shareholders like the Vanguard Group and BlackRock?

We are meant to be reassured that the debt sustainability assessments of the IMF and World Bank (who are both creditors themselves and are controlled by creditor countries) place emphasis on policies that "preserve growth at a satisfactory level to make 'adequate' progress towards development goals." Yet, there is no current quantitative way their models even attempt to assess this. For those hopeful that the new modelling tool the IMF and World Bank plan to rely on to consider SDG spending needs in debt sustainability analysis, it shows that no developing country will have the financing required for full SDG attainment within the tool's time horizon, which runs until 2060.

None of this reassures the Chronicle.

When decision-making on the international financial architecture that shapes the cost of borrowing and development finance is dominated by creditor interests – we should not be surprised to get a system that does not work for people and the planet.

But as the chair so eloquently put it while attempting to limit civil society participation in yesterday morning's session, 'FfD is an intergovernmental forum'. What Member States have to say matters, not least because they are the duty-bearers for the fulfilment of human rights. The Chronicle continues to see the FfD and the UN as a space to advance the systemic changes we urgently need to see.

But drastic times as the one we are in require drastic solutions. Transforming the current credit ratings system is one minor way to start. This is the time to be bold if we want to even try to move closer to the light at the end of the tunnel, which the current crises have pushed further away.

NEW

Thematic Brief: Capital Controls to Manage Volatility and Systemic Risks

Scan here or visit www.csoforffd.org

Deregulation Station

The Chronicle followed closely the Special High-Level meeting with the Bretton Woods Institutions earlier this week, discussing 'investments', the role of private capital mobilisation and how to promote an enabling business environment for the private sector to flourish. While the World Bank and the IMF promoted their contribution to this agenda, civil society highlighted that their interventions do a very good job in ensuring money continues to flow out of the Global South.

As well said in the conference room, paraphrasing the not-so-hidden message behind the approach to private capital mobilisation promoted by the Global North shareholders of the IMF and the World Bank could be summarised as: "We will continue to reduce official development assistance while we are increasing our military spending, we are unwilling to consider debt relief or engage in the negotiation of a UN Debt Convention or move forward with the new issuance or developmental use of Special Drawing Rights.

SIDE EVENT
A Systemic Approach to Equitable Borrowing: Which Normative Instruments?

When: Thu 23 April 2026 | 1:15 - 2:30pm
Venue: CR-4, UN HQ

We therefore wish you luck with taking charge of your own development by creating an enabling environment for the private sector – which incidentally often benefits our own companies."

While private capital mobilisation is presented as the only available option, regardless of its potential negative impacts, the regulatory role of the state is crucial to guarantee that private finance plays a meaningful role in enabling states to meet their economic transformation aspirations and human rights obligations.

Unfortunately, official discussions – both in DC and in NYC – have been silent about the release of the World Bank report on industrial policies and the need to ensure policy space at the country level for countries to move away from the neoliberal mantra that is promoting deregulation and fiscal consolidation.

This week the World Bank and IMF did what seemed impossible: increased even further our scepticism that these institutions, with their deeply undemocratic governance structures, can contribute to democratically owned national development plans. If we are indeed here to promote structural transformation and a path towards economic diversification and a just transition, then we must stop putting wolves in charge of the sheep.