

Financing for Development Forum 2021

Panel VI: Building the economy of the future that is climate-resilient and aligned with the SDGs

REACTION

I am Tetet Lauron, speaking on behalf of the Women's Working Group on Financing for Development, the CS FfD Group, and Asia Pacific Forum on Women, Law and Development.

The FfD Forum was the perfect moment to promote macro solutions that women, people and Planet need. But it was stripped-off of its potential by renouncing the historical universal role the UN has to promote human rights and comprehensive solutions to the multiple crises. We are faced with 2030 goals and targets and a climate ambition that will unlikely be met.

Without systemic transformations, the world will keep on relying on unpaid domestic and care work of women to subsidise capital and resource extraction, while multiple discrimination obscenely enhance intersectional inequalities. The so-called solutions presented in this Forum divested the focus from the real sources of the problems, and maintained the privilege of the wealthy. By hoarding vaccines and refusing a TRIPS waiver at the WTO, and insisting that everyone has to contribute equally to solve climate change, richer countries not only insult the international community but directly escalate threats to international peace and security. Poor communities in developing countries have less ability to deal with the impacts, while rich countries and their corporations reap the benefits of fossil-fuel powered growth that caused the climate crisis..

Social movements know that net zero emissions is the new jargon to promote carbon capture and storage, nuclear energy, carbon markets and emissions trading to maintain corporations' dirty, extractive and profitable activities.

There is a lot of hype around the idea of promoting 'Nature-Based Solutions'. Since these move away from Ecosystem-based Solutions, we warn that investing in NBS will only enable corporations to maintain a steady supply of resources beyond planetary boundaries, allowing them to maintain profitability while greenwashing their image. Here, the regulation of the financial sector is key, to divest from harm and invest in care.

With a broken global economic, trade, and financial architecture, the Global South lacks policy and fiscal space to face the compounded effects of the crises exacerbated by the COVID-19 pandemic. Yet, it is even expected to look for resources to transition towards sustainable production systems and renewable energy. This increases the pressure to dip into national budgets, look for foreign investments, loans, and now, 'debt-for-climate swaps.'

Borrowing is the default mode to bridge deficits caused by unequal trade and investments deals, doomed to a vicious cycle of debt: borrowing to import, finance projects, service debts, and fund Covid-19 measures. The quick-fix offered by IFIs is a mere temporary suspension of debt

payments while new loan packages with harming austerity conditionalities are actively implemented.

Climate action should not be used as a smokescreen for more climate-disruptive carbon-intensive programmes, reproducing pre-pandemic inequalities. The Ffd Forum cannot downplay the structural links between contemporary capitalism, ecological crisis, and the need to democratise global economic governance.

Without addressing the intersecting crises and its causes, these dialogues are but beautiful distractions.