

ADDRESSING SYSTEMIC ISSUES

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Strengthening the international financial architecture to support development must include the principle of common and differentiated responsibility.

The Brenton Woods Institutions and the Private Business Sectors must become accountable as partners to upholding basic human, environmental and food security rights and come into U.N. agreements signed onto by the nation states where Financial Institutions and markets operate (Beijing Platform For Action, Agenda 21, The Habitat Agenda, etc.)

Achieving concrete results must include priority areas that include Empowerment of Women, ODA Leverage in transfer of Technologies, Innovate Market Oriented Mechanisms that will provide funds for multilateral activities to promote sustainable development, removal of debt burdens and increase of ODA. Debt release or re-negotiation of debt should be based on social and environmental needs and not based on SAPS agreements with the IMF (as the World Bank is taking into account).

Special Concerns

The growth of the international trade regime through WTO has impacted land based resources and food security. Many economies of the South are producing for rich markets abroad, in order to pay off debt, rather than balancing production in favor of basic consumption (as in food). Market driven land use is diverting land away from food production to luxury and profit oriented activities and away from basic social needs.

Within the Context of Agenda 21, Chapter 4, FfD process should initiate and action oriented and monitored process on the impact from The Brenton Woods Institutions (including SAPS) Policies on land and land based resources. Such processes should also be assessed for eco-efficiency as an economic strategy (per Agenda 21). Such a process should focus both on positive and negative roles played by International Financial Institutions and Markets.

Non-renewable and renewable Natural Resources have suffered at the expense of financing debt and the rush to gear up for an industrialized based growth. Policy coordination needs to recognize that a natural resource base (forests, fisheries, water resources, etc.) in environmentally critical areas are especially susceptible to degradation and destruction resulting from human activities in the name of profit oriented growth.

The valuation of all goods and services, including biological resources (as defined by the Convention on Biological Diversity) provided by forests, is needed to realize its importance compared (continued on page 7)

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with other land uses. Inadequate valuation of natural forests is an important underlying cause of deforestation. The non-valuation of non-marketable environmental and social services of forests is a market failure, and inappropriate subsidies that encourage conversion of forested lands should be discouraged. Deforestation is closely related with the lack of economic and financial competitiveness of sustainable forest management compared with other alternative uses of land. Current economic valuation of forest resources has often resulted in inadequate incentives for sustainable resource use, which in turn induce environmental degradation.

Pioneering an outcome to promoting the financing of sustainable economic development has worldwide repercussions and must include a further strengthening of the role of the U. N. in assisting and guiding this process.

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