

Civil society interventions on Domestic and International Private Finance

Statement delivered by Ms. Maria Jose Romero, Policy and Advocacy Manager, Private Finance, Eurodad

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Thank you Mr. Co-facilitator. My name is María José Romero and I am speaking on behalf of the European Network on Debt and Development (Eurodad), and as a part of a broad coalition back to the original Monterrey structure, in order to

domestic private sector. It is impossible to treat these two in the same way as their needs are different.

There are some specific points. First, there is an urgent need to regulate private

finance. This is contrary to current thinking after the 2008 financial crisis

and the belief in unregulated finance and the consensus that private

finance should be strongly regulated. Paragraph 37 expresses a completely

misleading view towards private finance. We firmly believe that the private sector could

contribute to sustainable development, subject to the regulatory

framework. We suggest that the whole paragraph should be changed. As a whole,

the text should pay adequate attention to the conditions and policies needed to harness

the potential of the domestic private sector and domestic productive capacity. Paragraphs 38

and 39 should be substantially restructured to acknowledge the limitations of FDI to

promote sustainable development and should call for a strong focus on quality of FDI

rather than using public money to leverage private finance, for instance

through the proposed paragraph 52 presented.

used to leverage private finance. This review should develop a set of sustainable development criteria to be applied to public funds and institutions used to leverage and support private sector investment, including the necessary mechanisms for compliance. Last, but not least, I want to address para 47, in particular the issue of managing short term crossborder capital flows. The paragraph includes a welcome recognition on the need to use capital account management tools. But for this regulation to be applied efficiently, there must be a review of the barriers to national policy space to enact regulations such as capital account management. Obstacles to capital account management and other regulation should be removed, including from trade and investment agreements.

Thank you very much.



Social and Governance reporting also crucial for corporate accountability, we would like to commend that paragraph 40 already includes an agreement to create strong regulatory frameworks on ESG practices, including mandatory integrated reporting for large companies, to be adopted by 20xx, as well as protecting labour rights and environmental and health standards in accordance with internationally agreed norms, including the labour standards of the ILO and key Multilateral Environmental Agreements. We urge states to support this.

We would like to add though, that to ensure that the information which is most relevant for sustainable development is covered, and to create a level playing field for companies, the reporting must be standardized through UN processes. It is also important that integrated reporting, which includes financial reporting, is done on a country by country basis. This relates back to the state duty to protect against human rights abuses by business, through appropriate policies and regulation. Therefore, the words standardized and country by country should be included in the sentence. The time limit for adoption should be set to 2018.

The proposed additions in paragraph 40 will provide business with the potential to contribute to all three dimensions of sustainable development, and hold them accountable for their actions.

When public funds go to the private sector we have to ask for more than this, and not only ensure that business don't undermine sustainable development, but also that they have a clear positive development effect.

Thank you Mr. Co-facilitator

## Second Drafting Session on Third FfD Conference

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Statement delivered by Ms. Hilary Jeune, EU Policy Advisor, Oxfam International

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Thank you MCo-facilitator. I am Hilary Jeune, I speak on behalf of Oxfam International and a broad global coalition of CSOs working on FFD.

First, I want to address the gender equality considerations included in this section.

Concerning paragraph 42 there is a contradicting tendency towards the instrumentalisation and commodification of women to improve profitability and competitiveness of businesses (para 42), or to promote market access for financial services

engagement of local stakeholders; strengthened oversight and regulation, including transparent accounting and strong monitoring and evaluation.

On the same paragraph(52), we welcome the language that states that PPPs should not replace or compromise state responsibility, but we recommend adding a special reference to critical sector such as education and health. There is a real danger of an increasing trend of governments abdicating their human rights responsibilities to provide health and education by relying on the private sector. We firmly support the following statement “PPP should not impose unsustainable debt burdens or contingencies on governments.”

This also has to consider that PPPs should not offer private sector companies a degree of security higher than that available in private sector projects.

Thank you very much.