My name is María José Romero, and I am talking today on behalf of Eurodad and the Civil Society FfD group, including the women’s working group on FfD.

To beginning with, I would like to express civil society’s concern about the central role that private finance has taken in the FfD process. We believe that there has been insufficient regard for the long-term developmental impacts of a private finance first approach to development finance.

Since the Addis conference we have seen the proliferation of various financing instruments dedicated to lowering the risk of private investors. While some of these instruments could attract private investment, in many cases they have proved to be problematic on several grounds, in both developed and developing countries. For instance, experience shows that public private partnerships (PPPs) tend to be more expensive than publicly-financed schemes, and they do not lower the fiscal impact of projects, as they effectively delay budget expenditures. PPPs are usually a risky business for the public sector, and hence for citizens, increasing the likelihood of public debts. In fact, de-risking mechanisms means transferring the risk, all too often to the national public sector or to public institutions, so it is not straightforward. While some have high expectations about making institutional investors the source of the financing needed, what would be the cost of providing the conditions that they are asking for?

Instead of offering a long-lasting solution, therefore, catalysing private investment at scale may, in fact, be undermining public policy objectives aimed at sustainable development in the global south. A blind promotion of these instruments, especially in low-income countries, could further erode the capacity of the state to provide the services that are vital to fulfilling international commitments on human rights and climate resilience, and could leave countries more vulnerable to external shocks.

Additionally, private investors can play a role in delivering the SDGs, but mobilising them requires the right policy instruments. These have to be designed, implemented and monitored by the state, and in the public interest. With regards to capital markets, one of the major challenges is the loose and voluntary nature of its regulations. The evidence shows that realigning business models to the imperatives of sustainable development will not come through voluntary approaches. It requires the reaffirmation, rather than the abdication, of the role of the State to set bold public policies and regulations.

To conclude, we are calling on countries to place public policies at the centre of the FfD agenda. It is crucial to review the developmental outcomes of PPPs, blended finance and other private finance-based approaches. The financing mechanisms chosen to deliver infrastructure and social services should be assessed for their ability to ensure universal, high quality and resilient public services, including gender-transformative public services, and not for their capacity to attract private investors. Development finance institutions and multistakeholder platforms will not deliver the inclusive and thorough review that is urgently needed. The FfD process, and in particular a 4th FfD conference, can provide a platform to do precisely that, so we urge you to make this conference possible.

Thank you very much.