Thank you very much Mr. Co-facilitator

My name is Maria Jose Romero, and I talk on behalf of the European Network on Debt and Development, Eurodad, and as part of a broad CSO coalition.

First, we strongly welcome the recognition included in the paper that it is important to learn from the failures of the past and avoid maintaining risk in the public sector while ensuring high returns to the private partner. The question is how we can do that.

I would like to highlight three challenges, which are missing in the Elements Paper, and some considerations in relation to the policy proposals included in the annex:

1) On Public private partnerships – I fully support the comments made by my colleague from civil society. I just want to raise an additional red flag in relation to the problems associated with PPPs, such as lack of transparency and efficiency, negative environmental and social impacts, and the risk of strong negative financial impacts on the public sector. These are problems that we still need to solve and they are likely to further increase, as a result of the recent revamping of large infrastructure programmes. The outcome document should be used to strengthen the developmental role of the state and not to reduce with public monies the risk of corporate financial investors.

2) On Foreign Direct Investments, we need to recall its limitations to contribute to sustainable development, such as the fact that
   o it hardly reaches Least Developed Countries unless they are major exporters of natural resources
   o it has proved very difficult to target FDI towards micro, small and medium enterprises
   o it is often linked with significant outflows of resources, and
   o its for-profit nature means it cannot tackle issues such as much needed public service provision, in health, education and sanitation.

   Therefore, as the representative of Suriname said before, the critical issue is the quality and development contribution of private finance and Foreign Direct Investment, more than the quantity.

3) On enabling environment: Unqualified support for greater “ease of doing business” is very problematic. It tends to be equal to reductions in corporate income tax, a more lax regulatory environment, unnecessary privatization of public services, weaker labour and environmental standards (for example when considering the World Bank’s “Doing Business” rankings).
In relation to the annex, I would like to highlight a few of the recommendations included in the joint CSO reaction that we have sent to the delegations:

First, we need a Southern-led review of existing practices for using public institutions and resources to leverage international private finance. This review should address the contribution to sustainable development, and generate concrete proposals for change. We need this review to be sure that ‘leveraging’ is transparent, accountable and has a true development impact before promoting further its use. However, this is currently not included in the elements paper.

Second, we need a process to develop a set of sustainable development criteria to be applied to public funds used to leverage private sector investment. It should be based on existing UN principles on Business and Human Rights, environment and Development Effectiveness. This process must also agree on clear accountability mechanisms for the impacts of public funds channelled through private sector actors. However, currently this is not fully included in the elements paper.

And finally, there is one last crucial recommendation that I want to flag, we need a renegotiation of all existing investment protection agreements which establish investor to state dispute settlement mechanisms that favour foreign over domestic investors and prevent governments from the use of instruments needed to achieve sustainable development goals.

We look forward to discussing these and other proposals with you.

Thank you very much.