

Private Finance: Urgent need for a Systemic View

Thursday, April 26 – 08:00-09:30 UNHQ Conference Room 7

Organized by:

Civil Society Financing for Development (FfD) Group (including the Women's Working Group on FfD)

Facilitating Organizations:

CSO Partnership for Development Effectiveness (CPDE), Eurodad, Brot für die Welt, Christian Aid, Save the Children, Stakeholder Group of Persons with Disabilities, International Trade Union Confederation (ITUC), NGO Committee on FfD, Society for International Development (SID)

Short summary

While traditional donors are busy designing new instruments to catalyze private sector engagement, PPPs continue to gain prominence in the achievement of the SDGs and debates on development financing are dominated by the notion that “sustainable finance” will come at the rescue of struggling public finances. The side-event intends to take a systemic view at these interconnected trends:

- It will follow-up the launch of a Civil Society '[Manifesto](#)' on the significant risks associated with PPPs and explore how the FfD process could provide effective normative responses;
- It will also offer the opportunity to have a up-to-date discussion on the policies and the instruments that donors are promoting in this area and will look into the implications of the current process to redefine the boundaries of officially supported development resources;
- The event will also problematize the most recent emphasis on sustainable finance and explore its implications at various levels.

The format of the side event will be highly interactive. After a framing presentation, the moderator will facilitate active dialogue with a small panel of respondents and the audience.

Rationale

The most recent wave of economic globalization challenged the classic models of public-private interaction and witnessed the rise of new types of contractual arrangements and financing instruments that to variable degrees have introduced private actors in areas that were traditionally in the remit of public sector. The phenomenon of public concessions and benefits towards the private sector is fast evolving and it includes new modalities of interaction that should be critically assessed. While traditional donors are busy designing new policies and instruments to catalyze the engagement of the private sector, public-private partnerships (PPPs) continue to gain prominence as key to the achievement of the Sustainable Development Goals and the financing of 'essential' infrastructure, despite the many disastrous PPP experiences in the Global North. And, debates on development financing are increasingly dominated by the notion that a new wave of “sustainable finance” will come at the rescue of struggling public finances.

The side-event intends to take a systemic view at these interconnected trends, problematizing and contextualizing such an excessive private finance emphasis. It will explore new and old forms of public-private interactions under the umbrella of the wider concept of public-private interfaces (PPIs) as an increasingly prominent dimension of the landscape of international development

cooperation, one the requires new modalities, policies and guidelines to achieve developmental outcomes while safeguarding the public interest. More particularly, the side event will aim to explore, connect and reconcile the following key domains:

- The event will follow-up the launch on 11 October 2017 of a '[Manifesto](#)' signed by 152 civil society organizations from around the world calling on states and international institutions, including the World Bank and IMF to, *inter alia*, recognize the financial and other significant risks associated with PPPs. It will therefore provide an opportunity to explore how the FfD process could provide effective normative responses that would safeguard the public interest against the mounting negative evidence associated with the promotion of PPPs. The event will also broaden the discourse to assess different and emerging forms of public-private interfaces beyond traditional PPPs;
- The event will also offer the opportunity to have a up-to-date discussion on the policies and the instruments that the donor community is promoting in this area. In particular, the event will observe the extent to which the call for scaling resources up from billions to trillions is **generating a push to divert scarce public resource towards instruments with the ambition to crowd in money from private actors**;
- It will reflect on evidence from the IATF report that points to **different sets of principles on blending finance** from different global bodies, which require an initiative at the global level to **assess whether they are in reality informed by the commitments from the AAAA** and the principles of the effectiveness agenda.
- Another element that side event will look into are **the implications from the current process to redefine the boundaries of officially supported development resources**, especially in the context of TOSSD. There are at least two issues to consider: the development impact of private finance as the current conversations are implying that a direct link to SDGs may not be a precondition; the inclusion of resources from private entities under the influence, not the control, of the public sector, which risks further blurring the motivation behind those resources;
- The event will also problematize the most recent emphasis on sustainable finance and explore its implications in terms of financialization of public goods, development ownership and democratic governance.

A detailed programme of the event is being finalized and will be provided as soon as possible. However, the format of the side event will be highly interactive. After a short framing presentation, the moderator will facilitate active dialogue with a small panel of respondents and the audience.