



## Third Preparatory Committee (PrepCom) for the Fourth International Conference on Financing for Development (FfD4), NY, 10-14 February, 2025

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### Maria Jose Romero, EURODAD on behalf of the CS FfD Mechanism Intervention delivered at the MDB and Private Finance Segment

Thank you very much co-facilitator.

I'm María José Romero, from the European Network on Debt and Development (Eurodad) and the Civil Society FfD Mechanism.

Chapter C on 'International Development Cooperation' of the FfD4 outcome document is of utmost importance for civil society in a challenging context for development finance.

In the section entitled "Multilateral development banks (MDBs) and the system of public development banks", of paragraph 38, we want to reaffirm the crucial role that MDBs can play in financing sustainable development, as long as some conditions are met. In particular, if more concessional resources are channelled through them, and if they work in full alignment with national development priorities, human rights, and in a transparent and accountable way.

Yet, we firmly believe that without a change in the development paradigm, the ways of working of MDBs, including their internal incentives which are very much geared towards quantity and not quality, and more importantly the Global-North-dominated governance structure of major development banks, more money for these institutions will not be the solution to the current challenges.

We call on UN Member States to reaffirm the role of the UN as a norm-setter in global economic governance. **FfD4 is a key platform to reach a political agreement to establish UN intergovernmental process to review IFIs' and MDBs' governance, role and mandate, with an ecosystem approach, including how they interact with regional and national development banks. The objective is to build institutions that are democratic, inclusive, transparent, accountable and oriented to deliver sustainable development outcomes.** We suggest language reflecting this in paragraph 38 L.

Furthermore, we call for specific language on paragraph 38 K, for it to read: "**We commit to strengthen and align MDBs' impact measurement frameworks with the SDGs, measuring both positive and negative impacts, including impacts on human rights, women's rights and the environment,** and ensuring adherence to social and environmental safeguards in all operations." Adding language that refers to impacts on human rights, women's rights and the environment to this paragraph is critical to ensure that MDBs fully contribute to the Agenda 2030.

In this section, and throughout the FFD4 outcome document, it is key to avoid seeing the UN FfD

process as a space that promotes MDBs' and IFIs' work or endorses decisions taken by a small group of self-appointed countries, like the G20. Power imbalances within major MDBs – where countries from the global south have been historically underrepresented – make them the wrong place for the necessary changes I mentioned before. Importantly, work led by the UN should not be seen as duplication. It is about reaffirming the role of the UN in global economic governance, in full respect of the spirit of Monterrey.

Thank you very much.