



## **ECOSOC Forum on Financing for Development (FfD4)**

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**Intervention delivered at the session '2026 in-depth review: Domestic and international private business and finance', Strengthening sustainable business and finance for development impact.**

An evidence and rights-based approach to the role of the private sector in development is critical. Policies aimed at attracting private investors can result in negative impacts on sustainable development needs and the human-rights obligations of states.

The Compromiso de Sevilla recognizes the difficulties in implementing an agenda focused on leveraging private finance, and calls for a greater focus on quality. Paragraph 31 calls for policy frameworks and incentives for private investment, at the national and global levels, that promote sustainable development, building on lessons learned since the adoption of the Addis Ababa Action Agenda.

Yet what we are seeing here and elsewhere is a consolidation of the pact between private finance and development actors. Private finance is treated as a life-vest of a sinking development agenda, despite evidence of corporate abuse and rights violations in the global South. The development agenda is sinking because of a development model based on extraction of environmental, social and financial resources in a system that caters to the power of profit.

Civil society organizations and trade unions have repeatedly warned against the increased role of the corporate sector in what should be an intergovernmental process meant to address the structural barriers that undermine financing for sustainable development. Regulation aimed to promote development impact cannot be left to individual countries in a context of a highly unequal distribution of power, including between Global South countries and transnational corporations.

Business models won't change without upholding the regulatory and developmental role of the state. Voluntary approaches are not working. This highlights the urgent need for a binding UN treaty on multinational corporations and human rights.

We call on UN Member States to promote a cautious approach when it comes to the use of blended finance, guarantees and risk-sharing mechanisms dedicated to leveraging private finance as well as to promote quality over quantity and long-term over short term approaches. We also call on UN States to meaningfully address the systemic barriers that undermine countries' capacities to promote nationally owned development plans and industrial policies and socio-economic structural transformation. Otherwise, there is a high risk of exacerbating the current debt, inequalities, humanitarian and climate crises.