**Australia’s Response to the zero draft Outcome document of the Fourth International Conference on Financing for Development**

**III. B. Domestic and International Private Business and Finance**

* In P33, Australia supports the importance of unlocking private finance. Public finance alone cannot not address the SDG financing gaps, and we support strengthening the enabling environment for private business and finance and use of innovative finance to mobilise impactful private investment for sustainable development. We want to reinforce the importance of private business activity in the formal economy for driving development outcomes, with compounding effects of tax revenue raising and formal adherence to labour requirements.
* In P34 g), we support highlighting the importance of access to finance by marginalised groups, including access to financial services and markets.
* In P34 h), we recommend the addition of language on ensuring this is done with enhanced cyber security and data protection measures to protect people’s rights.
* In P34 j), Australia welcomes the reference to correspondent banking relationships and emphasises the importance of access to finance to support inclusive development.
* FFD4 must address the broader context of correspondent banking relationship withdrawal to prevent the disconnection of developing countries to the global financial system. This is explicitly linked to non-compliance in anti-money laundering and counter-terrorism measures. This introduces the real possibility of reduction of access to essential banking services, with disproportionate impacts on local banks.
* FFD4 should reflect that relevant institutions must support correspondent banking relationships, scaling up on existing global efforts and developing alternative mechanisms to ensure developing countries facing poor compliance can continue to access cross-border transactions and the global financial system, and that technical assistance must be targeted to support developing countries in adequately implementing FATF Standards and addressing anti-money laundering and counter-terrorism risks.
* On P35, FFD4 should support investments to build financial system enabling infrastructure in SIDS, including digital identification, payments infrastructure and digital solutions, to enhance broader financial system resilience.
* On P35 d), Australia supports private capital mobilisation for sustainable development, in particularly through blended finance. We propose removing reference to industrialisation strategies since it is made redundant by reference to national sustainable development strategies.
* On P35 f), we support efforts to standardise blended finance instruments to create effective and replicable structures for different country contexts. We support expanded use of blended finance drawing on pools of catalytic finance established by MDBs as mentioned in P35 g).
* If we are to successfully turbocharge private finance’s contribution to development, we need a strategy for scaling up impactful private finance mobilisation and identifying indictors and markers to support a pathway to mobilising a meaningful and feasible amount of private finance annually. Australia proposed more ambition in the text to achieve this, including for appropriate institutions, such as MDBs, to develop feasible strategies for significantly scaling up private capital mobilisation for sustainable development through use of innovative finance instruments, including blended finance, and drawing on pools of catalytic finance.
* On P36 e), FFD4 should recognise the significant progress already being made by countries to adopt sustainability disclosure legislation. We do not support the adoption of sustainability disclosure legislation based on double materiality, as it will undermine progress in harmonising sustainability disclosures around International Sustainability Standards Board's (ISSB) standards.