**Call for submissions - Special Rapporteur on the right to development**

**Financing for Development: National Level Practices**

***Introduction to Finnfund***

***Finnfund is a Helsinki-based development financier*** *owned by the Finnish State (94.4%), Finnvera (5.5%), and the Confederation of Industries (0.1%). Finnfund gets its funding from the State of Finland and the private capital markets, as well as retained earnings from its investments.* ***The Finnish Ministry for Foreign Affairs is in charge of steering Finnfund on the shareholders’ behalf.*** *Government’s ownership steering is based on the Government’s White Paper on Development Policy, approved in February 2016. Finnfund is one the instruments of Finland’s development policy. Each year, the Foreign Ministry issues an Ownership Steering Memorandum, in which it sets Finnfund’s development policy and operational goals.*

*Finnfund invests in private sector businesses operating in [developing countries](http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf) that drive sustainable development, whether they are companies already operational or in the process of being set up. In addition to long-term investment loans, mezzanine financing and equity investments Finnfund provides expertise on how to invest in the developing markets. We expect our projects to be profitable, socially and environmentally responsible and produce measurable development impact in their target countries. We put special emphasis on sectors that are critical to sustainable development, such as clean energy, sustainable forestry, sustainable agriculture and financial services, but we do invest in other sectors as well.*

*Many of the questions below are directed to states and as such not directly applicable to Finnfund, However, we have tried to answer where possible and hope this is helpful.*

1. Participation & Access to Information
   1. How are rights holders – individuals and communities – placed at the center of decision making for all aspects of FFD, including from the planning to the evaluation stages?

*This question is not directly applicable to Finnfund. The planning of FFD interventions is not done at Finnfund.*

*Finnfund encourages its investee companies or borrower companies to support and contribute to the local development projects and to engage actively with the communities in planning these actions.*

* 1. What measures ensure that FFD is based on rights holders’ development priorities, and that FFD ultimately finances those priorities?
  2. What measures provide rights holders access to reliable, timely and easy to comprehend information on all aspects of FFD?

*Finnfund expects its clients to provide information to the local communities and other relevant stakeholders, to actively engage with them at different stages of the project and to make adequate grievance mechanisms available to the stakeholders.*

* 1. What measures ensure that civil society participates throughout FFD processes, including with respect to public-private partnerships (PPPs) and loan agreements, such as by evaluating services delivered and their conformity with existing norms and obligations?

*Finnfund actively monitors and evaluates the development impacts contributed to by its investee or borrower companies. For more information please refer to Finnfund’s Development Impact Report (available at <https://www.finnfund.fi/en/news-and-publications/reports_publications/annual_report_on_development_results/>) or contact us.*

1. Resource Mobilization & Budgeting
   1. Are States committing to international development policies including through:
      1. A specific strategy about the sectors in which the State would invest and the sequencing of that investment;
      2. A conscious policy commitment to social and economic inclusiveness, through social protection programmes and/or investment in public services like housing, education, social protection and health care; and
      3. An open policy space where policies and programmes can be evaluated and revised as needed?
   2. Are States developing integrated national financing frameworks that take into account the need for coherence across the internationally agreed 2015 policy frameworks and seek to mobilize the maximum resources available?
   3. Given the potential harms of reliance on austerity programmes and PPPs for resource generation, how are alternative methods of mobilizing national and international resources being used?
   4. Are FFD stakeholders promoting human rights-driven budgeting, including budgeting that specifically promotes gender and other forms of equality?

*Finnfund is actively working to integrate a human rights lenses into its investment process and is actively promoting gender equality through the financing of gender positive projects and companies. Finnfund has a publicly available Human Rights Policy Statement (see <https://www.finnfund.fi/en/impact/corporate-responsibility/human-rights/>) and a Gender Statement (see <https://www.finnfund.fi/en/impact/corporate-responsibility/gender-equality/>).*

* 1. Are States prioritizing the use of domestic resources for development over the servicing of international debt?
  2. Are Governments mobilizing domestic resources for development by:
     1. Retaining State resources, including land and minerals;
     2. Strengthening tax collection capabilities;
     3. Implementing fairer, more transparent and progressive tax policies;
     4. Countering corruption;
     5. Asking the private sector to pay its fair share; and
     6. Ending illicit financial flows that direct resources out of countries?

1. Macroeconomic Tax Policy
   1. In evaluating tax policies and fiscal incentives, are States conducting human rights impact assessments and analyzing whether they are achieving the goals of creating employment, providing living wages and good working conditions for the population?
   2. Is information on taxation rates, incentives and revenues generated by major economic actors publicly available and shared to facilitate international cooperation?

*Finnfund pays close attention to the taxes paid at local level by our investee/borrower companies as one key developmental impacts. Finnfund has a specific publicly available Tax Policy setting out the principles for responsible tax paying (see <https://www.finnfund.fi/en/impact/corporate-responsibility/responsible-tax/>*)*. Finnfund publicly reports the taxes paid by its investee and borrower companies at country level.*

1. Benefit Sharing & Social Protection
   1. What measures guarantee that rights holders are meaningfully involved in setting the terms for and sharing the benefits of all development ventures, including PPPs?
   2. How are FFD stakeholders, including the private sector, ensuring that the benefits of growth are equitably distributed to all segments of the population to reduce inequalities and reach the most vulnerable?

*Before approving an investment, we assess its potential impact on income distribution and inclusiveness and we strive to mitigate risks to the most vulnerable segments of the population. Where possible we encourage our investee/borrower companies to engage into benefit sharing schemes.*

* 1. Are States guaranteeing social protection floors, even in times of crisis?