



Statement to Development Finance Institutions regarding Covid-19 response

The Coalition for Human Rights in Development calls on all development finance institutions (DFIs) to ensure that the funding and support they provide for the Covid-19 response, and during the economic recovery period, respects human rights and leads to economic justice for those who are most vulnerable.

We are a global coalition of 98 social movements, grassroots groups, and civil society organizations advocating nationally and internationally for development to respect human rights and to be community-led. We work closely with communities affected by programs, policies and projects supported by DFIs, including multilateral development banks, national development banks, export credit agencies, and other international financial institutions.

We see that Covid-19 and the ensuing economic lockdowns are having unequal impacts, hurting already vulnerable communities the most and exacerbating issues around inequality, violence, militarisation, and surveillance. DFIs have committed to contribute billions of dollars as part of the global response to the Covid-19 pandemic. While we recognize that the pandemic necessitates an urgent response, members and community partners of our coalition have concerns about the implications of DFI support and how this money will be spent.

A significant amount of DFI support is going toward governments and other clients with poor human rights records. There are gaps in transparency and accountability. And in many cases the money will go to corporations and banks and may never reach those who are the most vulnerable. At the same time, the focus on combating the spread of Covid-19 has created additional risks and challenges for those standing up for their rights or speaking out against development activities that are harming them and their communities. Thus, Covid-19 is both a test and an opportunity for DFIs to align their policies and practices with laws, policies and standards on human rights and responsible business conduct.

We therefore call on all DFIs to ensure that the funding and support they provide as part of the Covid-19 response, and during the economic recovery period, respects human rights and leads to economic justice for those who are most vulnerable to the pandemic and its social, economic, and political consequences. DFIs' response to Covid-19 should support equitable and universal access to healthcare, food, water and other essential services. This includes avoiding projects that harm the environment, displace people, increase surveillance and militarisation risks, or threaten sustainable livelihoods and food security. Taking a human rights-based approach to development will also help address project and portfolio risks, and channel funds in a way that is most impactful for people, peoples and the planet.

Recognizing that there are real challenges to meaningful consultation and participation due to the pandemic, especially in communities that are worst hit by the crisis, DFIs should take additional steps to support communities' access to the information, power and resources they need to determine their own development paths and priorities now, after the lockdowns, and in the aftermath of the pandemic, where changed contexts may impact civil society and community participation in development processes. This means DFIs should take steps to plan for the changed environment around reprisals and restricted freedoms, and ensure that their Covid-19 response supports, and does not hamper, communities' ability to hold DFIs, governments, and other actors accountable, now and into the future.

Accordingly, we urge all DFIs to:

1. **Uphold human rights:** Commit to and operationalise the human right to development, and other human rights principles in the appraisal, design, implementation and evaluation of supported projects and policies, during the Covid-19 pandemic and subsequent recovery. Assess the human rights implications of financing decisions in a global context of heightened risks due to the Covid-19 crisis. Conduct *ex ante* human rights due diligence and risk assessments in project investments and in support for economic reform policies or programs. Ensure that these assessments are developed in close consultation with affected communities, and are updated iteratively based on changing conditions and new information. Engage with clients to ensure that development is participatory and rights respecting, and provide clients with additional support to implement rights-based approaches to projects, programs and policies, including delivery of services..
2. **Provide immediate relief:** Prioritize supporting immediate relief measures that enable access to adequate housing, food, water, sanitation, medical care, education, sustainable livelihoods, and other essentials during the Covid-19 health crisis and economic disruption. Where necessary, lift stringent criteria on financial returns to provide immediate relief.
3. **Support the most vulnerable:** Ensure inclusive and equitable access to social protection, relief, and recovery programs by targeting aid and other support toward those in greatest need, especially those who are most vulnerable to Covid-19 and the socio-economic impacts of the pandemic. Notably, women, children, older people, people living with disabilities, LGBTQ people, Indigenous Peoples, people with precarious livelihoods, people living in slums and other informal settlements, people in conflict areas and other groups who are marginalised face unique challenges, related to higher risk of exposure to Covid-19 and vulnerability to economic disruptions, lockdowns, violence, militarisation, and surveillance. Examples of targeted support include: emergency shelter for those experiencing gender-based or domestic violence, mental

health care and psychosocial support for groups at high risk, and sexual and reproductive health services. Ensure that Covid-19 related responses do not redirect resources from financial commitments and support that had been earmarked for vulnerable populations prior to the pandemic.

4. **Support existing DFI affected communities:** Communities and workers affected by ongoing DFI supported projects can be among the most vulnerable populations, sometimes facing increased risk because of past or ongoing harms related to DFI support. For example, communities who have been displaced or had their livelihoods disrupted by large industrial projects, or workers who suffer from health risks triggered by pollution from the projects, can have increased vulnerability to Covid-19. Take steps to address these increased vulnerabilities, including immediate consultations with communities and workers affected by projects that have verified findings of non-compliance and providing community-led, context-specific support.
5. **Address growing poverty and inequality:** Prioritize strengthening public institutions to support the social determinants of health, promoting universal access to essential services and fundamental needs, focussing on the most at-risk populations. Ensure that DFI support will not exacerbate inequality of access to health care through privatisation or public-private partnerships when they redirect resources away from public systems for delivery of health and other essential services. Additionally, support socio-economic programs -- like social protection floors, minimum basic incomes, and tax, fiscal and other policies that target those most in need -- that address the issues of rising poverty and inequality.
6. **Uphold safeguards, transparency and accountability:** In all ongoing and new projects, including existing projects being repurposed and funds channelled through financial intermediaries, require clients and sub-clients to: (a) comply with social and environmental safeguards (b) follow heightened levels of transparency and accountability standards, including by requiring clients and sub-clients to publicize involvement of DFIs in their activities and advertising the existence of the DFIs' independent accountability mechanisms (c) carry out *ex-ante* human rights risk assessments and document management plans for heightened environmental, social, inequality and violence risks during the Covid-19 pandemic, and (d) indicate clearly and systematically which new projects are Covid-19 crisis related and also when existing projects are being repurposed to respond to the pandemic and its impacts. Monitor for corrupt practices at a level commensurate with the heightened risk of misuse and misappropriation of funds in crises. Enhance iterative disclosure processes, with concerted effort to provide updates to fill existing gaps in information on an ongoing basis, and timely translations of project documents into national and local languages of affected communities and Indigenous Peoples.

7. **Communicate with communities and civil society:** Ensure that projects, programs and policies use appropriate means of communication -- including through the use of radio, digital, and other communication technologies during lockdowns -- to secure participation from project-affected communities and civil society organisations, and free, prior and informed consent of Indigenous Peoples and other communities who have similar rights. Reach out to communities and civil society to learn from them what they need to monitor development finance projects, policies and programs given Covid-19 related restrictions. Use safe and secure channels when communicating sensitive information or when there are risks of reprisals. Consider innovative ways and mediums of communication, including for different technological, socio-economic and cultural contexts, and ensure that such outreach specifically seeks to include people who experience discrimination and exclusion.

8. **Protect civil society space and ensure safety from reprisals:** Recognizing the critical role of civil society and human rights defenders in upholding accountability and supporting communities to engage with DFIs:
 - a. ensure governments receiving emergency funds safeguard the ability of civil society organizations and human rights defenders to operate freely without fear of risk or retaliation;
 - b. communicate with clients about change in the risks for defenders and communities due to the Covid-19 crisis, and stress the institution's zero tolerance to reprisals;
 - c. continuously monitor for changes in the risks (including issues related to militarisation, increased surveillance, or patterns of abuse by private or state actors) for defenders or anyone raising their voices around activities financed by DFIs, and adapt operations such that they do not exacerbate those risks during the pandemic, and the recovery;
 - d. especially during lockdowns, avoid or suspend activities that exacerbate reprisal risks or where reprisal risks are higher, for example, if communities have raised environmental and human rights concerns, or where the DFI is unable to adequately respond to communities' concerns, or where consultation with affected communities cannot be conducted at a level required according to DFI standards;
 - e. if activities with reprisal risks are considered necessary for the immediate Covid-19 response, based on objective and transparent criteria, consult closely with affected communities and civil society, and make best efforts to eliminate reprisal risks, including by meaningfully addressing the communities' underlying concerns about the projects, programs or policies;
 - f. ensure that Covid-19 response funds do not support the use of digital contact tracing or other surveillance technologies, unless: such technologies are scientifically justified and genuinely effective in curbing the spread of Covid-19, meet necessity and proportionality standards for restrictions on privacy and other

rights, are non-discriminatory and that adequate safeguards are in place to prevent abuses; and

- g. include clauses in financing agreements that explicitly describe expected client behaviour around risks of reprisals and reprisal allegations.
9. **Protect the planet:** Ensure that support from DFIs does not go towards projects and subprojects that threaten the right to a healthy environment through environmental destruction and degradation, and jeopardize ecosystems and ecological resources, which Indigenous Peoples and local communities may depend on for their livelihoods. In recognition of the climate crisis and that the most marginalised communities are often hurt first and worse by climate change, any support should be in alignment with the Paris Agreement on climate change.
10. **Private sector support should reach the most vulnerable:** Ensure, through contractual and other means, that funds going to the private sector, including to financial intermediaries, are linked to and directed towards protecting the most vulnerable, for example, to support re-tooling manufacturing facilities to make personal protective equipment, or to support workers. Require clients and sub-clients to maintain payroll and other commitments to workers (including sub-contracted workers), and incorporate better worker protections, including paid sick and family leave, occupational health and safety, and where applicable childcare, health insurance, and other protection measures. Prohibit using the funds to support stock buybacks, executive bonuses and other practices that disproportionately benefit shareholders and executives over other stakeholders and rightsholders. Require clients to disburse funds in a timely manner to intended beneficiaries who are most affected by the crisis rather than stockpile money to protect their own balance sheets.
11. **Cancel public debt payments:** Ensure that any support provided will not exacerbate the debt profile of beneficiary countries, including by focussing on grants or highly concessional lending that takes into account changing macroeconomic conditions such as exchange rates and other factors. Cancel debt payments for borrowing countries at least until the end of 2020, and beyond if necessary to protect access to health, water, sanitation, food, education, and other essential social services. Collaborate with other DFIs to support a call for debt cancellation by private sector actors, and take other steps to support countries to address challenges in servicing existing debt due to the pandemic and its response. Ensure that support during Covid-19 response and recovery will not result in cutbacks in public expenditure that will negatively impact human rights in the long-run.