

IS THIS DEVELOPMENT?

UNVEILING PUBLIC DEVELOPMENT BANKS' IMPACTS ON PEOPLES AND THE PLANET

As some of the world's largest financiers, Public Development Banks (PDBs) have a profound impact on the world. In recent years, they have been advocating for a bigger role to address climate change, global poverty, and other crises. But in reality, PDBs are exacerbating the problems they claim to solve.

Unlike commercial banks, PDBs:



Are owned and run by governments.



Give out public funds.



Have a public policy purpose, other than maximizing profit.

WHAT PDBs SAY THEY DO

Empower people to reach their full potential

Finance public services

End poverty

Safeguard people and the environment

Ensure safe participation

WHAT PDBs ACTUALLY DO

Their top-down development model excludes communities from decision-making, causing harm.

Privatization of health, water and other essential services, which worsens inequality.

PDBs burden countries with debt and austerity.

Investments are harming communities and worsening the climate crisis.

PDBs support authoritarian governments and businesses who are known human rights violators.

EXAMPLES

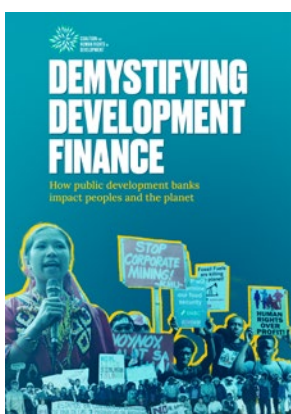
In [Argentina](#), lithium mining for the energy transition is displacing Indigenous peoples and destroying ecosystems.

In [Kenya](#), health sector privatization drove up costs for patients by 53% between 2013 and 2018.

During the pandemic, [Mozambique](#) was forced to cut social services and labour protections as a pre-condition to receive financial support.

In [Indonesia](#), pollutants from just two coal plants have caused about 5000 premature deaths in the past 30 years.

In [Uzbekistan](#), PDBs financed a cotton company despite reports of forced labour and attacks against workers who were denouncing violations.



THIS ZINE IS BASED ON THE “DEMYSTIFYING DEVELOPMENT FINANCE” REPORT, which was collectively drafted by over 100 grassroots groups and civil society organizations from around the world. The report challenges public development banks' false narrative by drawing on lived experiences and rigorous documentation.

Full report: rightsindevelopment.org/PDBs



WHY PDBs MATTER?

- 1. PDBs are owned by governments** - So, they should be accountable to the people.
- 2. Major presence & growing** - PDBs hold 23 trillion USD in assets and deliver around [12% of all global investment annually](#). There are 522 PDBs worldwide and their number is rising.
- 3. Huge impact** - As a group, PDBs are involved in every sector of the global economy - from finance to judicial reform, agricultural standards and post-war reconstruction.
- 4. Crucial resources** - PDBs are sometimes the only available sources of financing for impoverished governments.
- 5. Signaling approval** - A stamp of approval from a PDB can be a determinant factor in whether a government, company or project is able to attract necessary financing from others.

PDBs CAN HAVE DIFFERENT...



MANDATES

Agriculture

e.g. Thailand's Bank for Agriculture and Agricultural Cooperatives (BAAC)

Climate

e.g. Green Climate Fund

Export-import support

e.g. Export-import Bank of China

Private sector

e.g. International Finance Corporation

Infrastructure

e.g. Asian Infrastructure Investment Bank



WAYS OF FINANCING

Loans

(debt must be paid back)

Grant/aid

(no repayment required)

Insurances and guarantees

(protection against losses)

Technical assistance

(guidance / knowledge training)

Infrastructure

e.g. Asian Infrastructure Investment Bank

Equity investments

(ownership shares)



GEOGRAPHIES

Global

e.g. World Bank, New Development Bank

Regional

e.g. African Development Bank, Inter-American Development Bank, Asian Development Bank

National

e.g. Brazilian National Development Bank

Sub-national

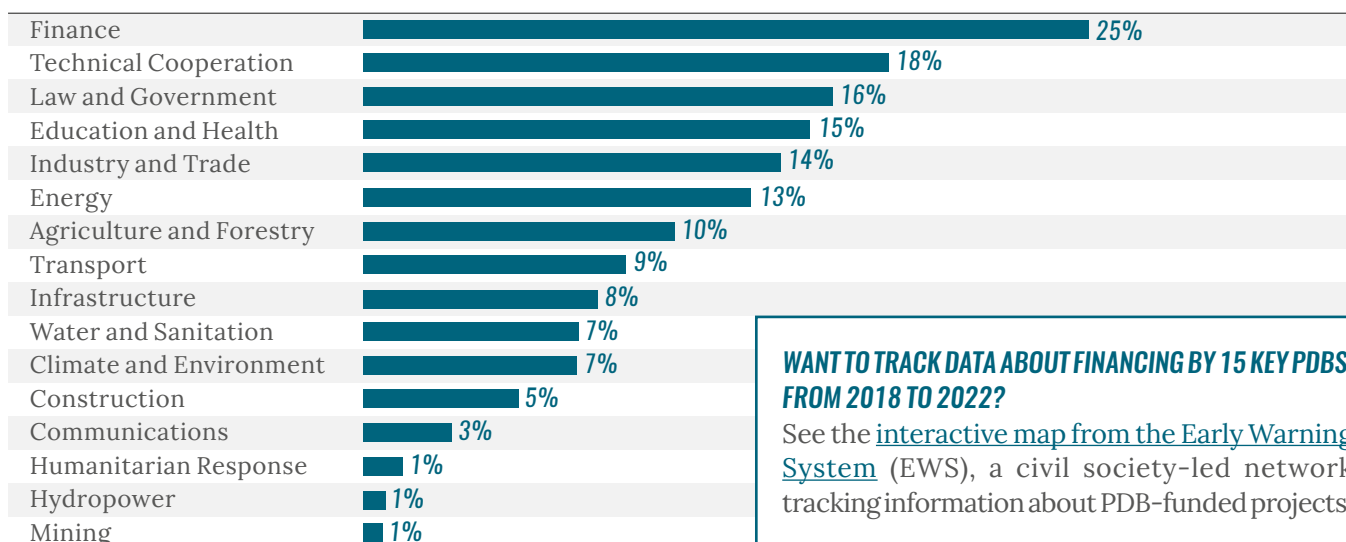
e.g. Bank of the State of Pará (Brazil)



DID YOU KNOW?

PDBs contributed to the [food price spike](#) of 2022 through support for market-led land reforms, financial deregulation, and opening domestic agricultural sectors to international agribusiness hurting local farmers and food sovereignty.

NUMBER OF PROJECTS BY SECTOR: 16,768



WANT TO TRACK DATA ABOUT FINANCING BY 15 KEY PDBs, FROM 2018 TO 2022?

See the [interactive map from the Early Warning System](#) (EWS), a civil society-led network tracking information about PDB-funded projects.

KEY TRENDS

Lately, development finance has been increasing financing towards the following sectors:

1. LARGE INFRASTRUCTURE

While people need essential services (such as housing and health facilities), PDBs spend more on [mega-projects](#) to meet the demand of industry and elites. These large projects often result in evictions, increased poverty, destruction of forests, and pollution.

In the ecologically-sensitive and conflict-affected region of north-eastern India, the Asian Development Bank and other PDBs are investing in regional and international [transportation projects](#) that are displacing Indigenous Peoples and exacerbating violence.

2. UNJUST ENERGY TRANSITION

Most PDBs claim to be taking vital action against climate change, but in reality they:

- Push so-called false solutions that are carbon and resource-intensive, and degrade ecosystems.
- Fail to decisively phase out support for fossil fuels.
- Extract resources from Indigenous and rural areas in the Global South, in the name of renewable energy.

In Chile, PDBs are helping create a [green hydrogen industry](#) – which will use up water resources, [harm](#) protected ecosystems, and create health and safety risks – without the consent and participation of local communities, already affected by other mega-projects.

3. DIGITALIZATION WITHOUT PROTECTING RIGHTS AND PRIVACY

In the name of advancing “digital development” PDBs are:

- Giving private technology companies control over public services;
- Exacerbating existing inequalities due to the digital divide;
- Leading to security threats and privacy violations.

In the Philippines, civil society is [worried](#) that their government – which has a track record of engaging in illegal surveillance – will misuse the World Bank-supported digital identification system.

4. PRIVATIZATION

Many PDBs are aggressively pushing to privatize the public sector, advancing policies that favour investors over workers and communities. In some cases, PDBs require countries to change laws and policies as a pre-condition to receiving money.

The World Bank’s Doing Business Report resulted in Global South countries making more than [3,800 policy changes](#), including lowering corporate taxes, reducing workers’ pensions, and relaxing environmental protections.

KEY INSIGHTS

Growth and development for whom?

Development should be by the people, for the people. Social movements want human-rights based and community-led development, and de-growth in the Global North, but PDBs are replicating a neocolonial model. They are pushing extractivist and export-oriented economic growth models that primarily benefit corporations and business elites. This approach is reducing Global South and Indigenous territories to sacrifice zones serving over-consumption in the Global North.

PDBs act like shadow governments

PDBs are geopolitical actors. They shape law and policies through the money they invest, the standards they set, the conditionalities they impose, and the technical assistance and capacity they provide. PDBs also utilize diplomacy, and exercise economic power in global fora to advance their agendas. Their influence impacts the relationship between governments, companies and citizens.

PDBs evade international law

Despite being State-owned, many major multilateral PDBs do not accept that the international human rights legal system applies to them. They refuse to be tried in national and international courts. Instead, they have created their own protocols to address environmental and social concerns, which they push as global best practice. Their safeguards are business-oriented solutions that don't guarantee real remedy for harmed communities, and fall short of a human rights-based approach to development.

Decisions about us, without us

PDBs tend to follow a top-down development model, making decisions behind closed doors. They give governments loans, burdening ordinary citizens with debt and interest payments for projects that communities never agreed to in the first place.

In many cases, PDBs support authoritarian governments, failing to ensure people can safely raise their voices and participate. When people do speak out about the harms they are suffering, they face threats and attacks from governments and private actors. Vulnerable groups, like womxn, LGBTIQ+ people, Indigenous Peoples, people with disabilities, and children, suffer disproportionately as a result.

PDBs need to invest in growing the public

PDBs say there is not enough public money for development. At the same time, PDBs are failing to use their influence to push for a global minimum corporate tax and debt workout mechanism for countries under the United Nations. Instead, they often structure investments through offshore financial centers, depriving host countries and their citizens of important tax revenues.

If you want to be connected with communities and their allies working on these issues across the world, please write to contact@rightsinddevelopment.org



Protest of Lumad Indigenous Peoples against the Kaliwa dam in the Philippines.

Credit: Maria Tan.