

EXECUTIVE SUMMARY

Public Development Banks (PDBs) are one of the most powerful actors in the global economy. The funds they mobilize and their policy priorities can influence — directly or indirectly — all our lives and the wellbeing of our planet. PDBs fund projects, provide general budgetary support and loans to governments and corporations, promote policy reforms, set global standards, and serve as geopolitical tools for the governments that own them. Their significant influence enables them to act as shadow governments within the global financial architecture, and within countries and regions in the Global South.

Since the creation of the World Bank in 1944, the number of these institutions and the role they play have grown exponentially. In recent years, especially after the Covid-19 pandemic hit, PDBs have been advocating for an even bigger role and more funds to respond to the climate crisis and to prevent future pandemics.

But does their narrative correspond to reality on the ground? Are PDBs really addressing the root causes of the current polycrisis, advancing sustainable development, and tackling poverty, inequality, and climate change?

This collective analysis identifies some of the key challenges of the current development approach pushed forward by PDBs in their projects, policies and practices. Through case studies and an overview of the main trends in public development finance, it shows how — way too often — PDBs end up exacerbating the polycrisis instead of addressing its root causes. Some effects of PDBs investments, such as the social and environmental impacts of their mega-projects, are more visible. Others, such as the privatization of social services or the growing debt of Global South countries, can remain more hidden. Either way, analyses of these impacts show how PDBs undermine the development pathways and priorities of peoples, communities and countries in the Global South, reinforcing power imbalances and a top-down approach to development.

As explained in the methodology section, this document was produced in collaboration and in consultation with organizations and activists working across the world on various themes, from human rights to debt and climate change. It is not an in-depth analysis; rather, it aims to serve as a general overview of PDBs, key trends in their investments and priorities, and some of the most critical impacts they cause or contribute to.



CSO Action Day during the World Bank Spring Meetings in Washington, 2023.
Credit: Sustentarse.