

Recommendations

Over the years, human rights organizations that engage development banks have developed detailed recommendations for DFIs to ensure meaningful participation, effective human rights due diligence, and measures to mitigate reprisal risks across all DFI activities.

In this section, we present a set of specific recommendations on the steps and approaches that DFIs should take when operating in extremely repressive contexts. Most of these recommendations can also be applied to any country where civil society faces serious restrictions.

Civil society groups working in countries with closed civic space have differing views on how DFIs should leverage influence and whether they should invest in such contexts.

Some argue that economic and political interests always prevail, no matter which safeguards are in place. According to them, DFIs should categorically avoid any investment in countries with closed civic space given the lack of accountability, the inherent risks that projects can pose to local stakeholders, and the fact that their investments may further legitimize autocratic regimes.

Others believe that – given the level of influence of these institutions – their involvement can be an opportunity to open civic space. In their opinion, if DFIs use their leverage and push their clients to ensure fundamental freedoms and respect human rights, their investments can strengthen accountability and contribute to

building more democratic and transparent institutions. Perspectives also vary on which type of projects should be supported in restrictive contexts, how the banks could exercise their leverage, which safeguards they should apply, and how they should ensure accountability.

Beyond these different perspectives, however, civil society groups operating in restrictive contexts and their allies point to the need for development banks to exercise extreme caution, as channeling financial resources to authoritarian regimes risks further strengthening them and, consequently, further restricting civic space.

Development banks should, first of all, ensure that their investments are guided not by the myopic geopolitical and financial interests of their shareholders, but by the priorities and needs of the affected citizens in client countries.

Secondly, DFIs should not treat civic space restrictions as political issues outside their mandate. Instead, these restrictions should be acknowledged as factors posing serious risks to their development objectives and their operations.

As outlined in the recommendations below, DFIs should conduct a more thorough risk analysis and consult human rights organizations before approving any type of project in countries with closed civic space. Only through prior stakeholder engagement will they be able to understand to what extent they can guarantee meaningful participation of affected communities and under which conditions.

Development banks should also use their leverage to create strong incentives for governments to open civic space. They should establish specific benchmarks related to civic space, set minimum requirements for countries to access funding based on international law and a human rights approach, determine exclusion lists for high-risk projects, and mitigate the specific risks faced by affected communities in countries with closed civic space.

Finally, in implementing these recommendations, it is crucial that DFIs adopt a coordinated approach in how they will use their leverage to push borrowing countries to open civic space.

In particular, DFIs should:



1. Promote open civic space

- Acknowledge that an open civic space is a crucial precondition to achieve the sustainable development goals, and systematically reiterate this to their shareholders and stakeholders.
- Set clear objectives and specific indicators related to civic space, creating incentives for governments to uphold civic freedoms and fundamental rights.
- Establish procedures (including how they will effectively use their leverage) on how they will promote an enabling environment for civil society and advocate for governments to eliminate restrictions on civic space.
- Lead by example, setting good practices in engaging with civil society and facilitating safe and meaningful multi-stakeholder dialogues.
- Support capacity-building activities to strengthen the resilience of civil society in the countries of operation.
- Provide systematic training for public and private clients on meaningful rights-holders engagement, as well policy advice on creating an enabling environment for civil society.
- Promote the development of international and national norms that support civic space and protect human rights defenders, in line with international human rights law (including, for example, anti-SLAPP legislation).
- Foster collaboration between multilateral and bilateral DFIs when engaging in global and regional standards-setting processes related to civic space issues, in line with the UN Guiding Principles on Business and Human Rights.⁸³



2. Contextual risk analysis

- Recognize that civic space restrictions pose an operational risk.
- Define consistent indicators to assess such risks across all countries.
- Conduct a thorough contextual risk analysis that assesses the impact of civic space restrictions, before project approval, as part of a comprehensive human rights due diligence
- Incorporate assessments of human rights and civic space in the country-level partnership frameworks or strategies.
- Ensure ongoing monitoring and institutional learning around how the bank is assessing and addressing civic space analysis.

⁸³ As recommended in the report “Development finance institutions and human rights”, UN Working Group on the issue of human rights and transnational corporations and other business enterprises, July 2023, <https://documents.un.org/doc/undoc/gen/g23/127/80/pdf/g2312780.pdf>

The contextual risk analysis should:

- assess civic space restrictions in relation to the location, sector, type of project and client, and how these restrictions impact project-affected communities and human rights defenders (including for example those defending collective, social and environmental rights);⁸⁴
- be based on the analysis of relevant documentation (including reports published by CSOs and UN organizations, mechanisms and procedures) and consultations with independent local and international civil society groups, to be conducted through a reprisal-sensitive approach;⁸⁵
- include in-depth screenings to assess corruption risks, especially for sectors or companies that have close ties to government officials and military institutions, adding extra integrity checks and safeguards for companies owned by politically exposed individuals;
- be specific to the project site location, taking into account local risk factors (such as military presence, disputed border areas, and civil unrest).



3. Minimum requirements and exclusion lists

- Establish minimum standards and requirements related to civic space, the protection of basic human rights and transparency that governments must meet to access DFIs financial or technical support.
- Exclude high-risk projects and those implemented through financial intermediaries in countries with closed civic space.
- Implement independent monitoring and apply heightened due diligence to projects involving both public and private security forces, ensuring that any use of force complies with standards set by the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.
- In consultation with civil society groups, establish additional requirements and/or exclusion lists. For example, DFIs should suspend financing for projects, temporarily or permanently, when there are credible reports of reprisals against defenders.

⁸⁴ DFIs should screen all projects for human rights risks, including reprisal risks, assessing project-related and contextual risk factors such as: the enabling environment for public participation and human rights, the engagement process, risks related to the client, government or third parties, and the vulnerability of affected communities, including differentiated impacts on defenders and other marginalized or vulnerable groups.

⁸⁵ When local CSOs cannot participate in consultations because of the security risks, DFIs should consider other options, including using secure online formats to solicit feedback and engage with CSOs working from abroad that coordinate closely with groups inside the country. For a more detailed list of recommendations indicating how to conduct reprisal-sensitive consultations, please see the recommendations included in the report “[Wearing Blinders](#)”.



4. Transparency and accountability

- Guarantee maximum levels of transparency and proactive disclosure of information on all DFI-supported activities in countries with closed civic space (including multi-country projects), aligning with international human rights standards on access to information. This should include information about the project (e.g.: investment amount, allocation of funds, risk assessments, appraisal documents, and monitoring and evaluation reports), safeguards and measures in place to mitigate potential risks, and channels for project-affected people to raise concerns or file complaints in case of harm.
- Ensure that information is accessible and available in local languages.
- Commit to ensuring remedies in cases of violations to stakeholder engagement requirements.



5. Participation

- Enhance environmental and social safeguards, to ensure meaningful engagement with rights holders and stakeholders at the project level.⁸⁶
- Establish procedures to proactively prevent potential reprisals, address them, ensure remedies, and demonstrate best practices in implementing non-repetition measures when reprisals are brought to the attention of the bank's staff, consultants, and/or management.
- Conduct effective monitoring of civil society engagement at the country and project levels, evaluating its contribution towards an enabling environment for public participation in decision-making.

In line with their extraterritorial human rights obligations⁸⁷ and commitments outlined in international fora,⁸⁸ governments as shareholders of DFIs and on the board of DFIs should:

- Publicly commit to ensuring that all DFIs they fund comply with the recommendations set out in this report.
- In DFIs where they are shareholders, instruct their Executive Directors to:
- advocate within the board for compliance with the recommendations set out in this report,
- monitor the progress of DFIs in the implementation of these recommendations.
- Regularly report back to their respective houses of parliament, and other public fora, on progress made in implementing these recommendations.
- Encourage all DFIs they support to work together to address these recommendations.

⁸⁶ Civil society organizations have developed comprehensive recommendations on how to improve policies and practices to ensure meaningful stakeholder engagement. See e.g.: “[Uncalculated Risks](#)”, “[Wearing Blinders](#)”, “How can the IDB Group effectively implement its commitment not to tolerate reprisals in its projects and operations?”, Bank Information Center, May 2022, <https://bankinformationcenter.org/en-us/update/how-can-the-idb-group-effectively-implement-its-commitment/>; “Benchmarking Study of Development Finance Institutions’ Safeguards Policies”, OHCHR, February 2023, https://www.ohchr.org/sites/default/files/documents/issues/development/dfi/OHCHR_Benchmarking_Study_HRDD.pdf.

⁸⁷ See e.g.: Committee on Economic, Social and Cultural Rights (CESCR), General Comment No. 15, U.N. Doc. E/C.12/2002/11, para. 36 (2003) and General Comment No. 14, UN Doc. E/C.12/2000/4 (2000);

⁸⁸ For example, in 2023, 70 governments and authorities endorsed the Summit of Democracy Declaration, committing to protect human rights, civic space (including media freedom), and the rule of law. See: “Declaration of the Summit for Democracy” (March 2023), available at: <https://www.state.gov/declaration-of-the-summit-for-democracy-2023>. Also, in the 2022 Resilient Democracies Statement, several states across Europe, Asia, Africa, and the Americas committed to protect and foster open and pluralistic civic spaces. See: “[2022 Resilient Democracies Statement](#)” (June 2022), available at: <https://www.consilium.europa.eu/media/57544/2022-06-27-g7-resilient-democracies-statement-data.pdf>.