

Beyond propaganda: activists from all over the world join the Finance in Common Summit to denounce real impact of development finance

Cartagena de Indias (Colombia), 4 September 2023 - As the world's largest development banks gather for the Finance in Common summit (FICS) in Cartagena, Colombia, to pat themselves on the back for all the good they're doing around the world, a group of over 35 civil society activists from 20 countries has come together to denounce how these institutions are worsening the problems they claim to solve.

Public development banks (PDBs), like the World Bank or the Inter-American Development Bank, are one of the most [powerful players](#) in the global economy. At the annual FICS summit, they present themselves as champions in the fight against climate change and key drivers of sustainable development. But the facts paint a very different picture.

In Argentina, the International Finance Corporation is funding the [Sal de Vida lithium mine](#). In the name of renewable energy, this project is displacing Indigenous Peoples, destroying a fragile ecosystem already threatened by other mines, and leading to social conflicts. Allkem, the mining company behind Sal de Vida, holds a [record of human rights abuses](#). But rather than safeguarding the rights of affected communities, local officials and police are aligning with the company. To silence dissent, they are threatening and criminalizing local community leaders and the families living near the construction site.

"The same multinational companies that have polluted and violated human rights in Latin America are now obtaining financing from development banks for energy transition projects. Another example is the development of the green hydrogen industry in Chile, which carries a very high environmental and social risk," says Maia Seeger, director of the Chilean civil society organization [Sustentarse](#).

A new report, written by over 100 Global South activists and civil society experts, exposes how - in the name of development - PDBs are fueling human rights violations, environmental destruction, inequality, and debt. Through a series of eye-opening case studies, data, and analysis of key trends, "[Demystifying Development Finance](#)" shows how PDBs are supporting projects and policies that harm people and the planet, and funding governments and companies that do more of the same.

"In Liberia, the International Finance Corporation extended a \$10 million loan to Salala Rubber Corporation, despite concerns over their [human rights record](#). But the rubber sold to the US and Europe has not brought any benefit to the local Indigenous community. Instead, this investment has led to severe abuses, including gender-based violence. The company took away and destroyed the community's land, water, natural resources, and sacred sites. Public and private security forces have attacked local people. This is not development", says John Brownell, of Green Advocates International.

Some of the impacts - like the violations suffered by these communities in Liberia - are more visible. Others remain hidden, but they are equally devastating. As exposed in the report, PDBs are responsible for the spiraling debt crisis and the erosion of public services in many Global South countries.

In Kenya, health sector privatization - promoted by PDBs as the solution to modernize the sector and make it more efficient - 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. PDBs also contributed to the [food price spike](#) in 2022 through support for market-led land reforms, financial deregulation, and opening domestic agricultural sectors to international agribusiness, hurting local farmers and food sovereignty.

“Development banks are advocating to play an even bigger role in the global economy. But are they truly fit for this purpose? Unfortunately, the stories of communities around the world show us that development banks are failing to address the root causes of the very problems they claim to solve. We need to hold them accountable for this,” says Ivahanna Larrosa, Regional Coordinator for Latin America at the Coalition for Human Rights in Development.

Media contacts

In Cartagena, we can arrange interviews in English, Spanish or French with community leaders directly affected by development projects and civil society experts from:

- Asia and the Caucasus (India, Philippines, Georgia)
- Africa (Senegal, Uganda, Kenya, Liberia)
- Latin America (Colombia, Argentina, Peru, Chile, Brazil, Mexico, Ecuador, El Salvador).

To arrange interviews (either in person or online), please contact the Communications team at the Coalition for Human Rights in Development:

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Photos available [in this folder](#), further images available upon requests

About the Report

“Demystifying Development Finance” was collectively drafted by over 100 civil society activists from around the world. The full report is available for download [here](#).

About the Coalition for Human Rights in Development

The Coalition for Human Rights in Development is a global coalition of over 100 social movements, civil society organizations, and grassroots groups from all over the world, working together to ensure that development is community-led and that it respects, protects, and fulfills human rights. Further info [here](#).