



Members' Update from the Eurodad's Development Finance team

January - May 2021

In this topical update on development finance, we provide key highlights on the issues covered by the Eurodad development finance team; namely, aid effectiveness, publicly backed-private finance, International Financial Institutions' (IFIs) role in developing countries' fiscal and policy space, and climate finance.

The update includes recent policy developments and Eurodad-led activities at the global and European levels; movement building initiatives, which Eurodad's development finance team has engaged with and promoted; a list of relevant reports, briefings, and joint CSO letters and position papers; and information about past and future events.

1. Recent policy developments at the global level

a) OECD-DAC

2021 Blended Finance and Impact Week

From 1-4 February 2021, the OECD-DAC organised the [Blended Finance and Impact Week](#) on the theme "Delivering the 2030 Agenda in the Covid-19 era and beyond". The event featured a series of discussions focused on: (i) addressing regulatory and financial capacity constraints, particularly in responding to the Covid-19 pandemic; (ii) closing the Sustainable Development Goal (SDG) financing gap, with blended finance at the center; (iii) driving impact: the role of frameworks and standards; and (iv) the importance of climate and gender to build back better.

During this series of events Eurodad was invited to contribute to the discussion around the OECD/UNDP Impact Standards for Financing

Sustainable Development (IS-FSD) that were finally approved in March 2021 (see [here](#)) Read the OECD DAC [Summary Report here](#).

Release of ODA data for 2020

On 13 April the OECD-DAC released the preliminary figures for Overseas Development Assistance (ODA) in 2020.

The preliminary ODA figures showed an all-time high of US\$ 161.2 billion in 2020. In real terms, this figure represents an increase of 3.5 per cent from 2019. In relative terms, however, this amount represents a modest raise in aid spending from 0.30 per cent of gross national income in 2019 to 0.32 per cent of gross national income in 2020, totalling less than half of the long-standing spending target of 0.7 per cent – a promise made more than half a century ago.

Eurodad [reacted to these figures](#) and facilitated a [joint CSOs statement](#) reacting to these figures. Eurodad also produced a more detailed analysis of the figures: "[Failing the poorest: An assessment of ODA in 2020](#)".

The OECD--DAC Community of Practice on Private Finance for Sustainable Development (CoP-PF4SD)

The [CoP-PF4SD](#) was established in early 2020 by the OECD DAC as a platform for dialogue and information sharing, with the aim of sharing best practices and policy insights on blended finance and impact amongst DAC members, the private sector and other key stakeholders such as CSOs (see [ToR approved](#) in February 2020).

Throughout 2021, the CoP-PF4SD will focus on two main policy areas: blended finance and



impact measurement. As they state “the outcome of the CoP-PFSD will be better approaches at the bilateral and multilateral level to mobilise private finance and stimulate impactful investments in the SDGs.”

With this in mind, a series of consultations, workshops and discussions are being organised throughout the year, allowing for CSO participation. If you want more information, please contact Farwa fsial@eurodad.org or Nerea ncraviotto@eurodad.org

1st Annual Meeting of the OECD-DAC Working Party on Development Finance Statistics (WP-STATS) and CSOs

Last December, the OECD-DAC WP-STATS took the decision to establish a regular dialogue with CSOs. As an outcome of this decision, the first annual dialogue between the WP-STATS and CSOs took place on 6 May 2021.

Members of the DAC (in the WP-STATS), the WP-STATS Secretariat and CSOs had the opportunity to discuss and exchange around the following topics: (i) the ODA eligibility of Covid-19 activities, the review of the Provisional Reporting Methods for Private Sector Instruments (PSIs) in 2021 and the alignment of ODA with international climate agreements. The coordination of CSO participation was facilitated by the DAC-CSO Reference Group Secretariat, of which Eurodad is a member.

This meeting was the first opportunity for CSOs to engage in an open dialogue with the WP-STATS Secretariat and Delegates about key priorities for both the DAC members in WP-STATS and CSOs. It opened the opportunity for further engagement on specific matters - for example, members of the DAC-CSO Reference Group have been invited to attend a brainstorm on ODA and Covid-19 vaccines, and hopefully, in the near future we could see further opportunities for CSO engagement on the reporting methods for PSIs.

For further information, please contact Nerea: ncraviotto@eurodad.org.

Ongoing work

Last summer donors agreed on the aid treatment of debt relief. This agreement allowed donors to count the rescheduled or forgiven amounts as ODA. DAC members agreed to review related details in 2023, so Eurodad does not expect much to happen in 2021 on the ODA and debt relief front.

Eurodad’s reaction to the agreement is available [here](#) and further analysis [here](#).

2021 is the year to review and revise the [provisional arrangements](#) for PSIs made in 2018 by DAC members. At the WP-STATS meeting, we learnt the WP-STATS Secretariat has carried out an analysis of the provisional PSI agreement and its implications for ODA, which will be further discussed at the WP-STATS informal meeting in June 2021 and the DAC Committee in July 2021.

Eurodad expects the PSI agenda to pick up in the coming months. However, it is not clear yet if this would lead to new negotiations among DAC members (at WP-STATS or DAC level). For further information you can contact Nerea: ncraviotto@eurodad.org.

b) Global Partnership for Effective Development Cooperation (GPEDC)

Review of the GPEDC monitoring framework

The GPEDC monitors how members progress in aligning their policies and practices with the [internationally agreed development effectiveness principles](#). Currently the GPEDC is reviewing its [monitor framework](#) with the objective to (i) strengthen the quality and usefulness of the current indicator framework; (ii) adapt the scope of the monitoring framework to reflect 2030 Agenda effectiveness issues; and (iii) streamline the country-level monitoring process to maximise



its usefulness and minimise transactions costs for stakeholders.

In April 2021,, the GPEDC organised a consultation with CSOs on the review of the GPEDC monitoring framework. Eurodad, together with other CSOs, contributed to the discussion on issues related to the need to strengthen the indicator on private sector engagement to better assess the role of the private sector in development, and on delivering the SDGs. In this sense, the [Kampala Principles on Effective Private Sector Engagement in Development Co-operation](#) provide an excellent opportunity to update the private sector indicator. Another important aspect highlighted by Eurodad and other CSOs is the opportunity that the GPEDC monitoring framework review offers to capture informal tied aid.

CSOs expect to continue to be involved in the review process. However, at this date, no further information is available on when and how this could happen.

For further information please contact Nerea: ncraviotto@eurodad.org.

c) IFIs

As the Covid-19 pandemic continues to unfold, and IFIs adapt their strategies, we have been pushing them to take concrete steps to close the gap between their rhetoric and practice regarding the need of progressive reforms, stronger multilateralism, greater country ownership and fiscal and policy space for delivering on the SDGs and the Paris Agreement, as well as supporting countries to deliver a sustainable and just recovery.

● World Bank (WB)

In June 2020, the World Bank published a [paper outlining its response approach to the Covid-19 pandemic](#). In April 2021 the WBG discussed

with the Development Committee – the Ministerial level-body that governs the World Bank Group – the document “[From Covid-19 Crisis Response to Resilient Recovery – Saving Lives and Livelihoods while Supporting Green, Resilient and Inclusive Development \(GRID\)](#)”. This document “lays out a broad framework for supporting GRID” in developing countries.

Eurodad has investigated the WBG’s response to the Covid-19 crisis. In a recent paper entitled ‘[Rebuilding better, but for whom?](#)’, we find that the WB sees its Covid-19 response as firmly linked to its long-term development vision, in which global private sector finance plays a strong role. However, diverting public resources to attracting private investment risks placing increased fiscal pressure on government finances, which are already facing immense strain due to the pandemic. The IFC, with its emphasis on creating markets and mobilising private finance, has a prominent position at all stages of the Covid-19 response. Rather than supporting local private enterprises, some IFC projects have provided finance to global chains of hotels, large conglomerates, subsidiaries of international companies and international private health providers.

We have also started new research analysing how [Development Policy Finance](#) (DPF) is being used in the WB’s Covid-19 response and recovery, presenting early results at an [event at the Civil Society Policy Forum in April 2021](#). Going forward, we plan to use the research to trigger a discussion on the impact of policy conditionalities on countries’ policy space in the post Covid-19 era. The WB is due to publish its 2021 DPF Retrospective in the coming months, following a consultation over the summer.

If you want more information about this research, please get in touch with Chiara: cmariotti@eurodad.org

At the 2021 Spring Meetings, Eurodad and partner CSOs met the European Executive Directors (EDs). We raised concerns over the



implications of WB's continued reliance on private sector solutions in its response to the pandemic. The conversation will continue with the EDs' advisors in the coming months.

At the same time, we are monitoring the negotiations on the [advanced IDA20 replenishment](#), which will be finalised in December 2021, after meetings in June and October. Our aim is to ensure that disbursements under IDA20 are adequate for addressing the scale of the on-going crisis and that funds will work in the interest of the most vulnerable population.

If you are engaging in this process at the national level or want to get more information, please get in touch with Farwa fsial@eurodad.org

- **International Monetary Fund (IMF)**

As developing countries face the difficult challenge of recovering from the Covid-19 pandemic, we have been calling on the IMF to finally close the gap between its rhetoric and practice. Following the [letter that we co-signed with 500 other CSOs in October 2020](#) calling on the IMF to stop recommending austerity measures in long-term loan programmes and country policy advice, we have continued to work with partners in scrutinising the content of new IMF loans and holding IMF staff and EDs accountable for it in calls and [events at the 2021 Spring Meetings](#). In our meeting with European IMF EDs, we discussed CSO concerns with regards to the debt crisis, the risks of a new wave of austerity in IMF loans, and the new SDRs issuance.

IMF Comprehensive Surveillance Review

In May, the IMF published its [2021 Comprehensive Surveillance Review](#), where it takes stocks of the past 6 years and sets the strategic direction of its country policy advice. With partners (including Bretton Woods Project, Oxfam and Recourse), we engaged in the process giving feedback regarding the ways

in which IMF has integrated macrocritical issues (inequality, gender and climate change) in its work and developing a [Proposed Framework for IMF Engagement in Country-level Surveillance on Macrostructural Issues; Inequality, Gender and Climate Change for your consideration](#), which was discussed with IMF staff and EDs.

Special Drawing Rights (SDRs)

Since March 2020, civil society across the world has been calling for a new allocation of SDRs in response to the health, economic and social emergency. Eurodad, together with more than 250 other organisations, sent a letter to [the IMF and the G20 asking to support an allocation in the range of US\\$3 trillion](#) that would enable developing countries to deal with and recover from the Covid-19 crisis, and engage in a just ecological transition. During the 2021 Spring meetings, we published a [blog](#) addressing some technical questions on how SDRs work and making a case for a US\$3 trillion allocation. In April, the G20 finally agreed to support an allocation of SDRs amounting to US\$650 billion and the IMF will take a final decision on the matter in June.

Following this development, the core of the discussion has moved to what mechanisms are available for rich countries to 'recycle' their unused SDRs and transfer them to developing countries. In May 2021, we co-sponsored a [high-level webinar](#) hosted by LATINDADD and Jubilee USA discussing the role of the allocation and recycling of SDRs in global pandemic crisis response and recovery.

If you want more information about IMF related-issues, please get in touch with Chiara: [cmariotti@eurodad.org](#)

- d) **UN Financing for Development**

As part of Eurodad's work in the Civil Society Financing for Development Group, we actively engaged in the virtual 2021 UN Financing for Development Forum that took place in mid-



April 2021. We provided inputs in the plenary session discussing [infrastructure finance](#) and supported our members and partners to provide inputs in other sessions. Eurodad also contributed to the side event '[Covid Response & Private Sector: Incentives, Regulations or Systemic Reforms?](#)' Unfortunately, the official outcome of the Forum was disappointing, indicating low ambition on agreeing structural solutions to the crisis triggered by the Covid-19 pandemic. See [Eurodad compilation](#) of resources.

e) **G20**

Eurodad is actively engaging in the [2021 Civil20 \(C20\) process](#), within the framework of the Italian presidency of the Group. Eurodad is chairing the infrastructure workstream of the C20 Finance Working Group, which includes taking part in meetings with representatives from the Italian presidency, and leading a collective process to produce policy recommendations in this area.

As part of this work, in April the [C20 Finance Working Group issued a statement](#) in response to the Communiqué of the Second G20 Finance Ministers and Central Bank Governors meeting. “We urgently call on the G20 to provide a much stronger and braver demonstration of multilateralism and international solidarity”.

If you want to get more information, please get contact María José: mromero@eurodad.org

f) **UNFCCC**

UNFCCC [Synthesis Report](#) of country efforts under the Paris Agreement

On 26 February, the UNFCCC Secretariat released the Initial [Nationally Determined Contributions \(NDCs\) Synthesis Report](#), following the deadline for country submissions of national climate plans by 31 December 2020. 47 Parties [75 countries as the EU counts as one Party] accounting for around 30 per cent of

global emissions had delivered new plans as mandated under the Paris Agreement. The report shows that the most commonly identified areas where climate finance is needed are both mitigation (specifically on renewable energy, energy efficiency, transport and forestry) and adaptation (specifically on water, agriculture, coastal protection and resilience). However, an [analysis by Oxfam](#) shows that there is a clear dichotomy between where climate finance is most needed and where it actually goes.

g) **Petersberg Climate Dialogue (PCD)**

From [6-7 May 2021 the PCD](#) took place. It was the first moment in 2021 for ministers to discuss UNFCCC issues at both a political and technical level, as heads of UNFCCC country delegations are usually also invited and they can bring in the technical knowledge of the issues. It was an opportunity for stakeholders to understand what common ground already exists and what needs to be done ahead of COP26.

Eurodad saw the PCD as an opportunity to highlight that the climate finance agenda must be driven by the needs of the most vulnerable. It was also an opportunity to show that, despite the closed nature of the PCD, civil society is watching and expects strong outcomes. Eurodad and 14 other CSOs published a [joint letter](#) sent to the convening nations (the UK, Germany and Scotland). Key outcomes included a presentation from the COP26 team of a concept note to set-up a [Taskforce on Access to Climate Finance](#).

2. Recent policy developments at the EU level

a) **The European Financial Architecture for Development**

On 29 April, EU development ministers held a debate on the future European Financial Architecture for Development, with the



participation of the European Investment Bank and the European Bank for Reconstruction and Development (EBRD). Ministers discussed the conclusions and findings of the “Feasibility study on options for strengthening the future European Financial Architecture for Development” (to which Eurodad members and partners had the opportunity to provide inputs), and provided political guidance. The study favours an option that improves the current division of labour between the EU institutions, EBRD, EIB, and EU governments - which is referred to as “Status Quo+”. However, the EIB is still exploring how it can move forward its idea to set-up a subsidiary to channel its development operations.

For more information, please get in touch with Xavier Sol from Counter Balance: xavier.sol@counter-balance.org

b) EIB – Making the "EU Climate Bank" a reality

On 22 February, the EIB–CSO webinar took place. Ahead of the event, Eurodad, together with 47 CSOs sent an [open letter](#), calling on the EIB to take necessary steps to truly become the EU Climate Bank. The text is in line with [Eurodad’s position on the EIB Climate Bank Roadmap](#), and incorporates some of our points, including on gender and external lending.

During the session Eurodad raised questions on valuation models and developing better techniques to address the impacts of certain financial instruments, and on the EIB's use of Public Private Partnerships (PPPs). See joint Eurodad & Counter Balance detailed [notes](#) on the session. What’s clear is that the EIB President and a few of the Directors do not consider the adoption of the EIB Climate Bank Roadmap as the end of the EIB’s work on climate issues, which is a positive indication.

c) EU, 2021 Climate & Energy Diplomacy Conclusions

On 25 January, EU foreign affairs ministers adopted the [2021 Climate & Energy Diplomacy Conclusions](#). Eurodad shared inputs via meetings with DG Climate Action, and CSO coalition Climate Action Network - Europe (CAN Europe). These conclusions have some really useful policies in them, but also areas that should be improved on. The climate finance paragraph (6) highlights the need for transparency in climate finance. This could be used as a hook for a reassessment of ODA to include stronger climate, environmental and gender considerations in addition to per capita income. There’s also a brief reference that recognises that developed countries need to scale-up their climate action whilst struggling with debt. However, it does not explicitly state that, because of this, there's a need to urgently scale-up climate finance in order to reduce the possibility of further debt. The text specifically states that the “EU calls for a global phase-out of environmentally harmful fossil-fuel subsidies along a clear timeline” [... and] “EU energy diplomacy will discourage all further investments into fossil fuel-based energy infrastructure projects in third countries”. Unfortunately, this leaves the door open for gas. Adaptation is highlighted as a key goal which is good. The term ‘loss and degradation’ is raised in relation to ‘providing policy support, financing or an exchange of best practices’. It is still not clear if this is EU jargon for ‘loss and damage’. However, this language does not clearly reference the existing terminology of the UNFCCC and Paris Agreement, namely loss and damage (L&D).

If you want more information about this or other Eurodad climate finance-related work, please contact Leia: lachampong@eurodad.org

3. Movement building initiatives

a) Public services and PPPs

The Covid-19 pandemic has further exposed and exacerbated the existing inequalities and injustices related to privatisation, highlighting the unsustainability of market-driven systems to deliver on human rights and ensure access for all. This crisis is likely to be the first of a series of global shocks related to the ecological breakdown. This is a crucial moment to build public services as part of a just recovery and transition to a more sustainable and resilient economy and society.

To this end, a group of organisations [began collaborating in 2020](#) with the aim of establishing a collective vision that can mobilise a strong broad-based movement to demand public services: ActionAid, the East African Centre for Human Rights, Eurodad, the Global Initiative for Economic, Social and Cultural Rights, the Initiative for Social and Economic Rights, Oxfam, Public Services International, the Society for International Development, and the Transnational Institute.

A key outcome of this collaboration is the idea of developing a collective narrative to unite and mobilise a broad-based movement to challenge privatisation and demand public alternatives for the provision of services that ensure the realisation of human rights. Since January 2021, this group has been facilitating the drafting of a first version of this collective narrative, which will be presented globally to partners through regional workshops between the end of June and July 2021. The aim of these workshops will be to gather regional inputs on the collective narrative on public services and build political momentum for a strong cross-sectoral and cross-regional movement for public services.

If you want to get engaged, please get in touch with Océane oblavot@eurodad.org

b) WB's Doing Business -Doing Rights Not Rankings campaign

The World Bank's Doing Business report (DBR) and ranking is one of their most controversial publications, with a 17-year track record of harmful labour and domestic policy deregulation impacts. In [August 2020](#), the WB announced that the publication of the 2021 [Doing Business report and rankings](#) had been temporarily stopped following irregularities in the reporting of data.

On the back of this new scandal, Eurodad and partners, including SID and Bretton Woods Project, launched the *Doing Rights not Rankings* campaign calling for *Doing Business* to be permanently scrapped. The campaign aims to involve and bring together social movements to oppose the DBR and the WB's harmful private sector development model, as well as to develop a shared vision of a sustainable vibrant private sector that is good for people and the planet.

Together with nearly 350 CSOs, grass roots movements and academics **we wrote a letter to [the WB's Executive Directors](#)** asking to cease the publication of the report. When the WB announced that an independent panel had been tasked to undertake a review of the Doing Business methodology, we asked for (and obtained) [the consultation to be opened to CSOs](#) and we submitted feedback that had been discussed and shared with partners. As part of the campaign we published a [blog](#) and supported partners in publishing an [OpEed on Al Jazeera](#).

4. Relevant Eurodad and CSOs reports, briefings, articles, letters and position papers

Eurodad briefing: [How lessons from development finance can strengthen climate finance](#). This briefing was launched ahead of



the Climate & Development Ministerial (31 March). It argues that, in order for climate finance to adequately support vulnerable communities' efforts to tackle climate change and develop sustainably: (i) The climate finance agenda must be driven by the most vulnerable; (ii) The quality of climate finance must improve; (iii) Greater access to climate finance is needed to minimise debt; and (iv) Climate finance must be gender-responsive. This brief also highlights lessons learned from long-standing work on development finance that need to be taken into account in climate finance discussions taking place in 2021. The objective of the brief is to help strengthen synergies between the agendas of the Paris Agreement and SDGs.

Eurodad report: [Time for action: How private sector instruments are undermining aid budgets](#) This report brings together and analyses all agreements and commitments made to date by DAC members on the topic of ODA and private sector instruments, their implications and the main issues at stake. It also analyses available ODA and PSI data for 2018 and 2019 to reach some conclusions on where it is going, to support what and the additionality being reported.

Eurodad blog: [Covid-19 crisis: Key ingredients for a feminist recovery](#). This blog article, published in two parts, looks at how the pandemic is impacting women and girls and deepening gender divides and at what needs to be considered when designing policy responses to the Covid-19 socio-economic crisis.

Joint open letter: [“Urgent call to the WBG to strengthen public health financing and refrain from promoting public-private partnerships in health care”](#) Eurodad, together with nearly a 100 signatories sent this letter at the opening of the Spring Meetings 2021. The letter requested that global actors such as the WBG focuses on strengthening public health financing, and refrain from promoting PPPs in healthcare because of associated risks, such as worsening

existing inequalities. The letter was discussed during a side event at the CSPF session, we received an official response from the Bank and was discussed subsequently in a closed meeting with the Bank's Global Lead for Private Sector in the World Bank's Health, Nutrition and Population Global Practice.

CSO report: [Wemos](#)' analysis of PPPs in healthcare '[Risky business](#)' informed the letter sent to the WBG.

CSO discussion paper: [Total Official Support for Sustainable Development \(TOSSD\): Game changer or mirage?](#) ActionAid, AidWatch Canada and Oxfam International published a discussion paper to shed light on how TOSSD works in practice as well as on its ambitions, shortcomings and the contending political perspectives on this new metric. The paper emphasizes that TOSSD could significantly shape the future of development finance.

Journal article: [Flash blending development finance: how to make aid donor-private sector partnerships help meet the SDGs](#). This paper, written by Cohen, Godfrey, Jeune & Kindornay, uses the term donor-private partnerships (DPPs) to describe and analyse the variety of donor partnerships with the private sector. They study 20 partnerships involving nine donors, and find that donors fail to sufficiently integrate development, human rights, and environmental standards. Based on these findings, they offer eight recommendations which would help to harness DPPs' potential and minimise the risks.

CSO paper: [“A call to safeguard public services and sustainable businesses in Least Developed Countries”](#). This Concord paper examines the sectors, actors and modalities that are best suited for LDCs to achieve crucial SDGs. With a particular focus on EFSD+, the paper also reviews accountability structures and examines the extent to which the existing sets of



voluntary principles – in the absence of robust binding legislation – can produce meaningful behaviour change for market-driven private sector operations in a development environment.

Joint open letter: Eurodad joined partners in sending an [open letter to WBG President David Malpass and WBG leadership calling for whole-of-institution WBG commitment to end its fossil fuels support](#) (23 March). Following the publication by the WB of its [draft Climate Change Action Plan 2021-25](#), we co-signed a civil society statement denouncing the WBG failure to follow its own consultation guidelines on the Plan and emailed it to the World Bank Group President.

IPD/Columbia University report: [The Global Austerity Alert](#) shows that according to IMF fiscal projections, budget cuts are expected in 154 countries this year, and as many as 159 countries in 2022.

Other resources

-Eurodad blog: [Mind the gap: It's time for the IMF to close the gap between rhetoric and practice](#).

-[Oxfam's tracker](#) and [blog](#) documenting IMF Covid-19 loans.

-Financial Transparency Coalition's [Peoples' recovery report on the Covid Bailout Tracker](#).

-A [blog](#) summarising two papers published by Boston University's Global Development Policy Centre looking at IMF loan agreements from 2001 to 2018.

Past official and CSO-related events

a) World Bank/IMF Spring Meetings 2021

Eurodad took active part in the virtual Spring Meetings of the IMF and the WB in April 2021. Read [Eurodad's analysis of the meetings](#) and Watch an event with Janet Yellen, Kristalina Georgieva and David Malpass discussing

['Economic Recovery: Toward a Green, Resilient, and Inclusive Future'](#). In the context of the Civil Society Policy Forum (CSPF) Eurodad co-organised three interactive sessions.

Universal access to healthcare: lessons learned from Public-Private Partnerships

In response to the global pandemic, IFIs and governments mobilised significant amounts of financial resources. Covid-19 hit weak and under-funded public health systems around the world the hardest, and showed market failure in private healthcare. This interactive session looked at the impacts of PPPs in the health sector, including WBG-supported projects, especially for women and the poorest communities. This session shared evidence-based views on the WBG's role in health systems strengthening to understand the extent to which it is addressing the most urgent needs.

[This session](#) was co-organised with AFRODAD, DAWN, GI-ESCR, Wemos, ISER and SID. Dr. Tlaleng Mofokeng, the UN Special Rapporteur on the Right to Health sat on the panel as well as Andrea Seiter, WB Global Lead, Health, Nutrition & Population. The recording of the session can be found [here](#).

An economic future for whom? The Cascade/MFD and recovery

The WBG is crafting an agenda for resilient, inclusive and digitalised recovery amongst the current dire prospects for people's economic rights. It forwards joint public-private interventions to "scale up private sector solutions," given public debt burdens and constrained fiscal space. This includes "maximising use of the Cascade," also known as the Maximising Finance for Development approach. This session discussed WBG private finance-driven interventions in "restructuring" and "recovery"; their coherence with climate imperatives and inclusion; lessons from the



crisis and country experience for the financing gap narrative; and recommendations on the public and private for a transformative, people-centred, sustainable development.

[This session](#) was co-organised with AFRODAD, IBON, IPMSDL, Bretton Woods Project, The Reality of Aid Network and SID. Joergen Froztler WBG Alternate ED representing Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden sat on the panel. The recording of the session can be found [here](#).

Development Policy Finance (DPF): Critical Concerns surrounding Accountability and Outcomes for People and the Climate

The WB is relying heavily on DPF to address both Covid-19 recovery and the climate crisis. Unlike project finance, DPFs provide billions in funding directly to government budgets – US\$10 to over US\$20 billion a year. DPF funding is released after the adoption of policy and institutional reforms known as Prior Actions. Prior Actions have a wide range of consequences for inter alia: social services, climate goals, public finance, and governance. This panel explored the related topics such as: improving DPF accountability and outcomes in addressing Covid-19 recovery and climate change; upcoming WB DPF Retrospective; and how the IMF and World Bank work together.

This session was co-organised with Sustainable Development Policy Institute (Pakistan), Eurodad, Recourse, Bretton Woods Project, Gender Action, Friends of the Earth US, Arab Watch Coalition, and Heinrich Boell Stiftung. The recording of the session can be found [here](#).

b) The Leader's Summit on Climate

From 22 and 23 April, the Leaders' Summit on Climate, dubbed the 'Biden Climate Summit,' took place. Though it brought together climate laggards and climate-vulnerable countries, the

Summit did not deliver much on climate finance, aside from announcements from the USA. However, whilst the US's tripling of adaptation finance sounds impressive, this tripling is not in addition to the US pledge to double its public climate finance by 2024, but forms part of this pledge. It is merely another reminder of the scarcity of climate finance for adaptation. Additionally, the 'invite-only' nature of the Summit is another reminder that the climate agenda is still largely driven by rich and developed countries.

Eurodad and LATINDADD published a joint blog that is available in English and Spanish on Eurodad's website [here](#) and is available in Spanish on LATINDADD's website [here](#).

c) Climate & Development Ministerial (CDM)

On 31 March the [CDM](#) took place. The premise of the CDM was to discuss mainly technical solutions as well as starting political discussions on four areas: i) Access to Finance; ii) Responding to Climate Impacts; iii) Fiscal Space and Debt; iv) Quantity, Quality and Composition of Climate Finance. The attendees were mainly from developing countries, with only a couple of developed countries joining. It's unfortunate that the CDM wasn't amongst vulnerable countries and climate finance providers, because that could have been an opportunity for developed countries to state how they were going to fulfil the global climate finance commitment between 2021 and 2025, including a clarification on the form that climate finance would come in e.g. grants vs loans etc. Additionally, the different climate funds, IFIs and MDBs, could have complimented country announcements by stating how they would simplify access to climate finance, as well as outlining plans to diversify who can access funds, aside from national government entities. Key outcomes included a commitment by the COP26 team to develop a concept note on



climate action to take forward the recommendations from the CDM, which will be presented at the PCD in May.

d) Webinar on OECD-DAC Provisional Reporting Methods for PSI

In May 2021 Eurodad organised a webinar for our and DAC-CSO Reference Group members on the OECD-DAC Provisional Reporting Methods for PSI. This webinar was an opportunity to address the current issues at stake and why it is important for CSOs to continue engaging on ODA and PSIs. The webinar also offered the opportunity to present Eurodad's publication on PSIs "[Time for action: How private sector instruments are undermining aid budgets](#)". The recording of the webinar is available [here](#), together with the PPT slides.

e) Summit on the Financing of African Economies

The Summit was convened by the French President on 18 May 2021. Eurodad published an analysis of the Summit's focus on [developments in private finance](#), noting that the Summit laid emphasis on establishing private finance as the main solution towards recovery and resilience. The blog addressed four issues which raised concern in undermining the much-needed support for the crisis: i) new push for saving African MSMEs, ii) infrastructure finance for the private sector, iii) risk of tied aid, and iv) privatisation of African public development banks.

5. Future events

a) "Induction on Public-Private Partnerships (PPPs)"

15 June 2021 from 14.00 to 15.00

We invite you to join us for Eurodad's induction session on PPPs. Eurodad has been working

with coalition partners at countering the promotion of PPPs by International Financial Institutions and other major donors as a way to deliver public services. In particular, Eurodad research has provided in-depth, [evidence-based analysis](#) of the negative impact of PPPs in both the [global North](#) and South. Signed by over 250 organisations, [the PPP manifesto](#) has served as a basis for a global campaign on PPPs.

Eurodad's [Océane Blavot](#), and [Farwa Sial](#), will provide an induction to better understand what PPPs are, the issues that arise from PPPs, where to find information on the subject, and how to join the CSO campaigns and joint advocacy activities in the field.

This induction is open to Eurodad members and allies. The working language is English. Register here:

<https://us02web.zoom.us/meeting/register/tZ-Euc--qqDIsGdB5hT1NMyHtTSDJFrqwK0MQ>

If you have any questions, please contact cgondard@eurodad.org.

b) DAC-CSOs Annual Meeting

The 3rd DAC-CSOs Annual Dialogue, in the framework of the [Dialogue Between the DAC and CSOs, will take place on 3 June](#)

This meeting offers an opportunity for an open exchange between members of the DAC and CSOs, facilitated by the DAC-CSO Reference Group. In the agenda of the meeting, the DAC will present its priorities for 2021, plus two focused discussions on Climate and Environment and the CSOs instruments. Participation for this meeting is currently closed, but you can seek further information on the outcomes from Nerea: ncraviotto@eurodad.org



Eurodad (the European Network on Debt and Development) is a network of 59 civil society organisations from 28 European countries working for transformative yet specific changes to global and European policies, institutions, rules and structures to ensure a democratically controlled, environmentally sustainable financial and economic system that works to eradicate poverty and ensure human rights for all.

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