Eurodad’s Comment on Executive Director’s Draft on IDA20

Eurodad is disappointed with the content of the report “Building Back Better from the Crisis: Toward a Green, Resilient and Inclusive Future”, which is due for endorsement in mid-December. The document is not reflective of a consultative approach to decision making as it does not engage with, or even acknowledge the concerns, raised by Civil Society Organisations (CSOs). Eurodad has intervened in the IDA20 process by highlighting concerns related to the Special and Cross Cutting themes of Jobs and Economic Transformation (JET), Human Development, Debt and Climate Change.

Some of our main policy recommendations, outlined in the [position paper], focused on the need to ensure that IDA resources do not lead to privatisation of public services; effectively contribute to the structural transformation of low-income countries’ economies in line with sustainable development objectives; stop using IDA resources to subsidise International Finance Corporation’s operations through the Private Sector Window (PSW); contribute to debt cancellation; and apply a do no harm principle to climate related projects. We demonstrated that these policy recommendations are based on their harmful impact on the public interest which will exacerbate the on-going impact of the pandemic. Instead, the draft report continues to push for a growth-focused agenda rooted in the promotion of private finance and private sector interests, which casts doubts on the effective use of IDA funds. The indication of a possible increase in the size of the PSW without mentioning necessary safeguards and problems with demonstrating development additionality, as discussed by the Independent Evaluation Group, is extremely concerning.

Moreover, Eurodad is also disappointed with the WB’s engagement with civil society in the IDA20 process. Although there were two online IDA Forums (June and October), opportunities for substantive exchange of views were limited. We question the value of this extremely superficial consultation process. Assuming that this can still impact on the outcomes, particularly having in mind that the IDA pledging meeting will take place in less than 20 days, we ask for clarity on how CSO’s written comments would be used in the finalisation of the IDA process.