

# 'Rebuilding better', but better for whom?

## A review of the WBG response to the Covid-19 crisis

Briefing Paper • April 2021

By Kate Bayliss and María José Romero

### Executive summary

The Covid-19 health emergency has created a worldwide economic shock on an unprecedented scale, triggering a global recession that far exceeds recent crises. Pre-existing inequalities have been amplified, including gender inequalities. An estimated 100 million people have been pushed into extreme poverty in 2020. The downward trend in global poverty has been reversed for the first time in a generation, with per capita income losses wiping out the gains of the previous 10 years in some cases.

In March 2020 the World Bank Group (WBG) launched a Covid-19 response programme and pledged to provide US\$ 160bn to client countries in the 15 months to June 2021, across its divisions – the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) (which work with governments) and the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) (which work with the private sector). A coordinated response across its different components aims to mobilise private sector resources alongside donor funds.

The WBG's Covid-19 response goes considerably further than supporting countries in dealing with the effects of the pandemic. The WB sees the crisis as an opportunity to, what they call, 'Rebuild Better'. A review of core policy documents and project reports for the World Bank and the IFC Covid-19 response and beyond indicates that the initial emergency response has in some cases provided an entry point for a more expansive scope for structural reforms, including those linked to a more substantial role for the private sector in development finance, in line with the Bank's development vision.

The WBG has long been a supporter of privatisation and public-private partnerships (PPPs), but support for private finance gained added momentum in the 2010s with the 'From Billions to Trillions' agenda and subsequently the Cascade/Maximising Finance for Development (MFD) approach.

In essence, it was argued that the trillions needed to achieve the Sustainable Development Goals (SDGs) are beyond the reach of public funds alone, and so private finance is needed. Hence rather than financing development projects directly, public funds should be used to shape developing country needs for infrastructure and services into profitable business opportunities, largely for investors from the global north.

An extensive critique has highlighted numerous concerns with this approach, including the negative long-term fiscal impacts, high costs, lack of transparency and potential negative impact on poor households. Private finance, for example through PPPs, can create additional fiscal risks for governments akin to debt and can be associated with outflows of funds in the long term. Attaching the private finance agenda to the Bank's emergency response risks weakening public finances in the long-term and deepening structures of global inequality.

### The main findings of this review are:

1. The WBG sees its Covid-19 response as firmly linked to its long-term development vision in which global private sector finance plays a strong role.
2. For the WBG, contraction in 'fiscal headroom' calls for increased private sector financing. 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.
3. The IFC, with its emphasis on creating markets and mobilising private finance, has a prominent position at all stages of the Covid-19 response. The IFC is expected to account for around one third of the Bank's response, including in health, suggesting that private markets will be prioritised over equitable public services.
4. 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.

5. Private finance as a source of financing for development needs to be downgraded, given the overwhelming evidence of its failure to effectively contribute to sustainable development. Greater attention is needed to more effective and sustainable means to expand fiscal space, including meeting ODA commitments, tackling tax avoidance and evasion, and an immediate cancellation of debt payments, linked to a more comprehensive approach to debt crisis resolution under the auspices of the United Nations.

## Policy recommendations

- The MFD/Cascade approach should be completely re-evaluated. Private finance is not a substitute for public funds and creates a strain on governments. Scarce public resources should not be used to convert essential services into attractive private investments. The emergency humanitarian response should no longer be linked to the wider private finance agenda.
- The WBG needs to restore the balance between the public and private sector in its Covid-19 response, and beyond, including in its modalities and instruments. Developing countries are in need of concessional resources to strengthen their public systems, particularly health, education and social protection, and to stimulate economic recovery. This includes, among other things:
  - Placing greater emphasis on supporting public health systems. This is a long-term objective, but it can begin by ceasing to advise governments to bring in international private providers, and avoiding supporting commercial private health facilities that undermine public system building.
  - Reassessing the activities of the IFC in the Covid-19 response, and beyond. Rather than providing finance to large conglomerates and global investors, more attention should be focused on fostering local businesses. Rather than large commercial private banks, public national development banks may offer cheaper and more equitable means of disbursing IFC loans.
  - Strengthening IFC due diligence procedures, as a way of combating international tax avoidance, by demanding public country by country reporting and public beneficial ownership registration for all its clients, partners and business relations.
- The WBG needs to work to upscale the Debt Service Sustainability Initiative (DSSI) to include debt cancellation by all multilateral development banks (MDBs), including the WBG, and to work towards restructuring sovereign debt across all creditors.

- The WBG needs to anchor its activities in inclusive civil society engagement throughout all phases of the project cycle so as to ensure a high-degree of citizen accountability, an area which has been weakened during the crisis response.

In line with the WBG approach, these changes are long-term but also need to be incorporated into current activities. Interventions today need to have a line of sight to future economic and social structures. The pandemic does offer an opportunity to rebuild better, but this means rebuilding fairer. Global social equity needs to be at the heart of the long-term plan in order to reset, reshape, rebuild and recover better.

## 1. Introduction

The Covid-19 health emergency has created a worldwide economic shock on an unprecedented scale, triggering a global recession that far exceeds recent crises. Alongside the crippling health impacts, the pandemic has had devastating social and economic effects which have amplified pre-existing inequalities, including gender inequalities. Developing countries, already bearing the brunt of the effects of climate change are witnessing devastating effects from Covid-19. Women have been disproportionately affected by the pandemic, facing a higher rate of job losses,<sup>1</sup> higher exposure as frontline workers, an increasing burden of unpaid care work and a dramatic rise in gender-based violence.<sup>2</sup>

According to the World Bank, "the pandemic has reversed the downward trend in global poverty for the first time in a generation and is currently estimated to have pushed over 100 million people into extreme poverty in 2020."<sup>3</sup> In many developing countries the per capita income losses of 2020 reversed 10 years or more of gains, effectively turning "the 2010s into a lost decade".<sup>4</sup>

The unequal effects of the pandemic require an ambitious and coordinated response in terms of scale and policies to reset the future agenda for an equitable global recovery. According to the UN Secretary General, speaking in February 2021, "Now is the time to reset. To reshape. To rebuild. To recover better, guided by human rights and human dignity for all."<sup>5</sup>

An estimated US\$2.5tn is needed to meet immediate Covid-19 financing needs in emerging markets and developing economies and current levels are nowhere near sufficient.<sup>6</sup> The World Bank Group (WBG) has pledged to provide US\$160bn to its clients over the 15-month period from April 2020 to June 2021, across its divisions – the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) (which work with governments) and the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) (which work with the private sector). The aim is for a coordinated response across its different components to mobilise private sector resources alongside donor funds. These funds will be drawn from a range of sources including the IDA19 Replenishment and resources redeployed from existing Bank projects.<sup>7</sup>

However, the WBG's Covid-19 response goes considerably further than supporting countries in dealing with the effects of the pandemic. The WBG sees the Covid-19 crisis as an opportunity to 'Rebuild Better'.<sup>8</sup> As we learned in June 2020, the policy response is organised along three themes (relief, restructuring and resilient recovery) and four pillars (saving lives, protecting the poor and vulnerable, ensuring sustainable business growth and strengthening policies and institutions for 'rebuilding better'). The longer-term framework for the WBG – published just in late March 2021 – links to its vision for Green, Resilient and Inclusive Development (GRID).<sup>9</sup> The initial emergency response has then provided an entry point for a more expansive scope for policy influence and structural reforms including those linked to a more substantial role for the private sector in development finance.

This paper reviews the WBG's Covid-19 response to March 2021. It builds on an earlier Eurodad/SOAS Briefing Paper published in October 2020, which focused on the Fast Track Covid-19 Facility and signalled initial trends for the recovery phase. It showed how the WBG's initial emergency response prioritised the private sector over public interests, with almost 60 per cent of the Facility earmarked to be directed through the Bank's private sector lending division, the IFC.<sup>10</sup> One full year into the Covid-19 pandemic, this briefing provides an updated review of the crisis response. Although this does not cover the full range of activities that took place in the last 12 months, it serves to draw attention to key issues with the view of contributing to a debate about the role of the WBG in this precise moment of crisis.

This paper is divided into five main sections. First, it provides a critical review of the background to the WBG's approach to private finance for development. Second, it outlines the core elements of the Bank's response to Covid-19, linking this to its development vision. Third, it looks in more detail at some key projects that have been undertaken by the World Bank (IDA/IBRD) and the IFC as part of the Covid-19 response and highlights some concerns. Fourth, it reviews a sample of recently released WB Country Partnership Frameworks, which set out the objectives for WB support at the country level, and a sample of IFC projects that are not part of the institution's response to Covid-19. This section shows that the Covid-19 response, reviewed in section three, fits with the wider policy agenda, which is strongly rooted in the promotion of the private sector. This approach risks undermining rather than contributing to equitable development. To address this, this section also sheds light on alternative ways to enhance fiscal space, such as aid, domestic resource mobilisation and debt relief. The final section concludes and provides some policy recommendations.

## 2. Background: WBG and private finance

Since the late 1980s, the WBG has been a supporter of privatisation and a strong advocate of public-private partnerships (PPPs).<sup>11</sup> However, the role for the private finance has been considerably elevated since the 2015 Third United Nations (UN) Conference on Financing for Development, resulting in the Addis Ababa Action Agenda (AAAA). This put the private sector at the heart of the UN's strategy to finance the Sustainable Development Goals (SDGs), which include clear commitments on poverty reduction, health and education, among others. The landmark IMF-WBG Report 'From Billions to Trillions: Transforming Development Finance Post-2015 Financing for Development' proposed a radical shift in the structure of development finance.<sup>12</sup> Based on the notion that prospects of achieving the SDGs are severely hindered by an extensive and profound 'financing gap', the WBG shifted the development finance focus. Rather than using official development assistance (ODA) to fund development projects, public funds were to be used to 'leverage' private finance.

The role of private finance gained further prominence in the Bank's Cascade Approach, subsequently termed 'Maximising Finance for Development' (MFD), launched in 2017. The essence of this approach is that private finance should be the default financing option for development projects. If at first this is not available, then step two is to look for government and donor interventions that would remedy the situation and make the project 'bankable' (i.e. profitable). These could include either addressing the policy environment such as supporting institutional reform, for example with regulation, or intervening directly to 'de-risk' the specific project (such as with guarantees, and PPPs). Only if these options to bring in private finance have been exhausted should public funding be used directly.<sup>13</sup> The MFD agenda is part of the implementation of what Professor Daniela Gabor terms the 'Wall Street Consensus' which she describes as "an elaborate effort to reorganize development interventions around partnerships with global finance".<sup>14</sup>

Building on this vision for mobilising private finance the WBG called on other Multilateral Development Banks (MDBs) to use resources to mobilise private funds,<sup>15</sup> and the principles of such 'blended' finance have been widely adopted by other development finance institutions (DFIs)<sup>16</sup> and the G20. In 2017 this approach to development finance was specifically extended to reach low-income countries (LICs) and fragile and conflict-affected states (FCSS) via the US\$2.5bn IDA-IFC-MIGA Private Sector Window (PSW), approved as part of IDA18 replenishment. The PSW carved out a new niche for the IFC with donor resources to reach low-income countries (LICs). However, implementation has been disappointing with low levels of disbursement and the approach has raised concerns regarding transparency.<sup>17</sup> Yet the IDA19 replenishment included a renewal of the PSW as part of the WB's aid activities from 2020 to 2022.<sup>18</sup>

As a result of this shift in emphasis in development finance policy, raising funds from the private sector has become a development policy goal in its own right with DFIs reporting on funds mobilised from the private sector.<sup>19</sup> The WBG divisions have targets for mobilising private capital and in January 2021 an evaluation by the WB's Independent Evaluation Group reported that there was considerable scope for the Bank to scale up the private funds that it was bringing to LICs: "Private capital flows to Bank Group client countries are below potential, suggesting an opportunity to mobilize more, especially among LICs and [lower and middle-income countries] LMICs" (p.xx).<sup>20</sup>

An extensive amount of literature highlights the risks associated with this approach to development finance.<sup>21</sup> For instance, private and public finances are not substitutes, which means that the lack of public finance cannot be overcome with private money as they clearly have different mandates. Raising private finance can be demanding for governments, with investors requiring secure returns, which ultimately come from end users and/or taxpayers. Using international private finance for development projects ultimately leads to an outflow of funds and transparency is compromised in the name of commercial confidentiality. In addition, there are concerns regarding the prioritisation of investors' interests over social and human rights-based objectives, the weak evidence of developmental benefits, a risk of undermining collective provision of public services and a sense of vagueness as to the substance of what is being pursued.<sup>22</sup>

PPPs, in particular, are found to be high cost, generating risks for the public sector, lacking transparency, requiring demanding and costly negotiations, and negatively impacting on poor households.<sup>23</sup> The UK's failed experiment with PPPs, particularly in the health sector, reveals that they are often associated with increased costs, large windfall gains for private companies at public expense, declining service standards, hollowing out of state capacity and erosion of democratic accountability. In addition, they can be associated with tax avoidance through off-shore ownerships.<sup>24</sup> Similar experiences are occurring across several European countries and the body of evidence of poor outcomes from PPPs is growing.<sup>25</sup> PPPs have also been linked with a weakening of gender equality and women's rights.<sup>26</sup>

As the Covid-19 pandemic has unfolded, government finances have come under increasing fiscal strain. While this might be considered a reason to exercise caution in committing government funds to private sector projects, the pandemic seems to have offered an opportunity to intensify use of the WBG's MFD approach to development finance, which is discussed further below.

### 3. The WBG Covid-19 Vision

#### 3.1 The financial response

The WBG committed US\$160bn to its Covid-19 response between April 2020 and June 2021. Although details of the full allocation are not yet available, the Bank reports that the IFC is expected to provide US\$47bn in financial support by the end of June 2021<sup>27</sup> and MIGA has redirected its programme to provide a US\$6.5bn fast track facility.<sup>28</sup> This suggests that US\$104 will be directed through IBRD/IDA, the public sector arms of the WBG.<sup>29</sup> This means that approximately one third of the WBG's Covid-19 response is likely to be channelled through the IFC.

Moreover, from the document that the WB released ahead of the 2021 Spring Meetings, we learned that the distribution of WBG commitments between April and December 2020, which includes Covid-19 and non-Covid-19 commitments, had the following pattern (See Figure 1).

The Covid-19 response is putting a strain on the WBG's own resources, in particular resources dedicated to support low-income countries. The IDA19 replenishment agreed in 2019 for the period 2020-2023 raised US\$82bn, an increase of three per cent from IDA18 in real terms. Of this, US\$23bn is from donor contributions and the remainder from repayments of outstanding IDA loans, contributions from the Bank and financing from capital markets. Interestingly, raising funds in capital markets has recently led to concerns by representatives of the United States Congress regarding the financial viability of the IDA.<sup>30</sup> However, the Bank is depleting IDA resources more rapidly than was planned. Unless more resources can be sourced, IDA funding will fall from US\$35bn in 2021 to US\$22.5bn in 2022.<sup>31</sup> In October 2020 a call for shareholders to provide an additional US\$25bn in financing for IDA was rejected by the US, the Bank's largest shareholder.<sup>32</sup> But according to a March 2021 report from Devex, there are plans to bring the 2022 replenishment forward to 2021.<sup>33</sup>

Figure 1: Distribution of World Bank Group Commitments – April-December 2020

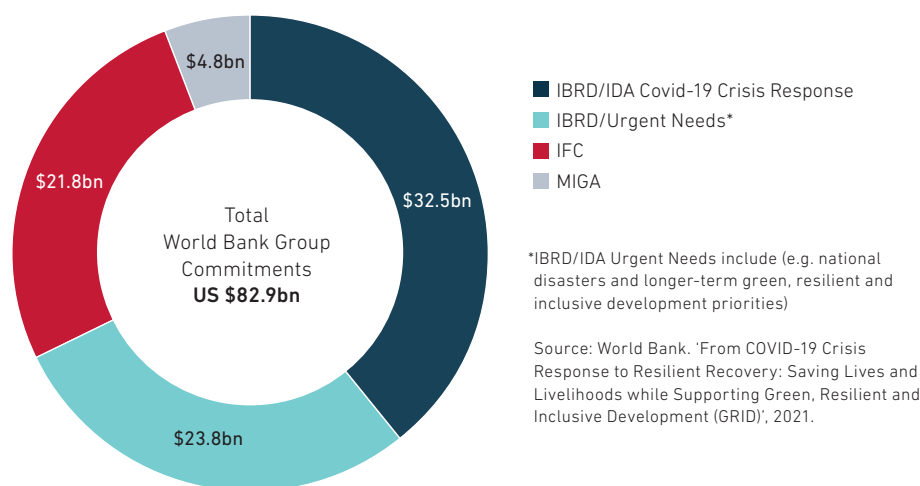
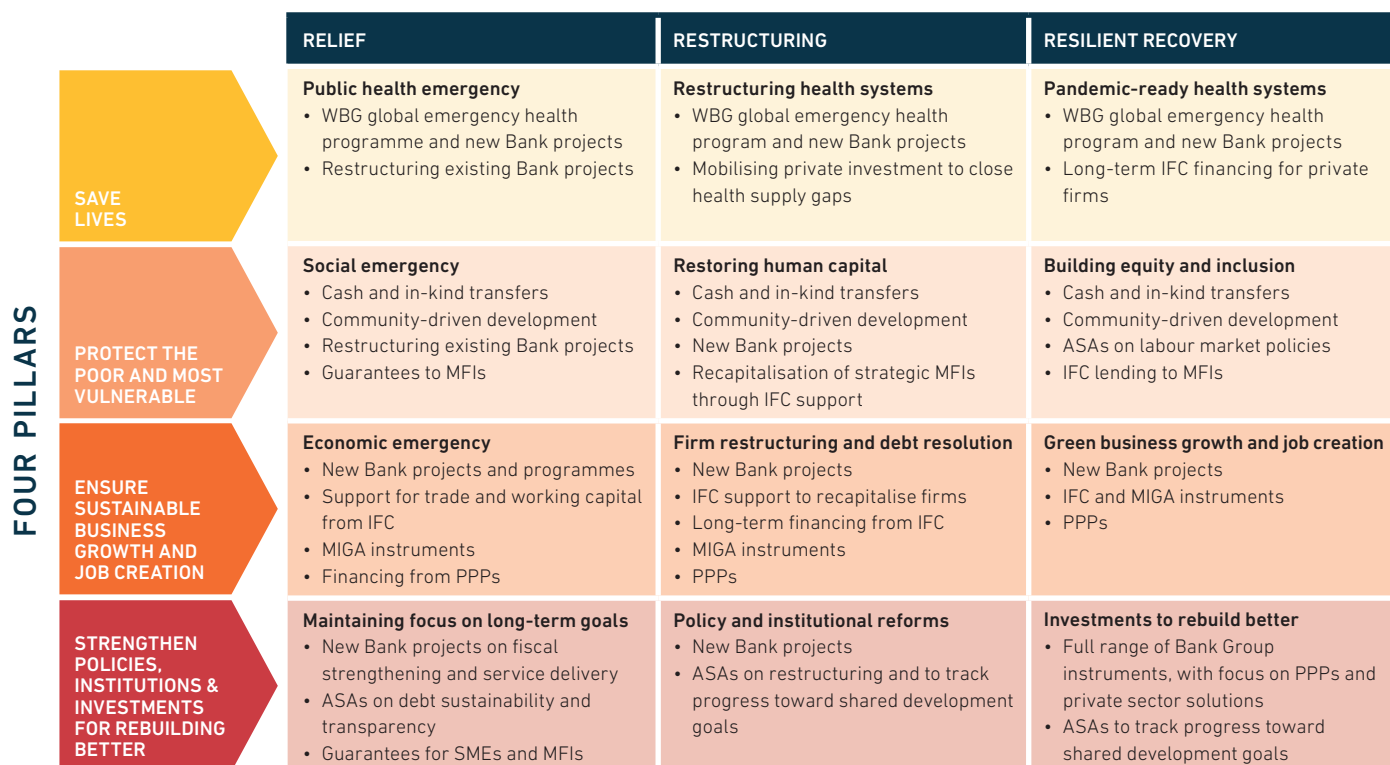


Figure 2: WBG Covid-19 Crisis Response Strategy



Source: World Bank. 'Saving Lives, Scaling-up Impact and Getting Back on Track', WBG COVID-19 Crisis Response Approach Paper, 2020.

### 3.2. The Covid-19 policy framework

In June 2020, the WBG set out its approach to addressing the pandemic. The Report titled 'Saving Lives, Scaling-up Impact and Getting Back on Track' outlines the Group's comprehensive response to the crisis that operates across three themes: relief, restructuring and resilient recovery, and four pillars, namely health emergency, social and economic responses to protect the poor and vulnerable, policies for business growth and policies to strengthen institutions for 'Rebuilding Better'. Figure 2 shows how these themes and pillars intersect and the specific instruments that are expected to be deployed in each of them.

Furthermore, in late March 2021 the WBG released the paper entitled 'From COVID-19 Crisis Response to Resilient Recovery – Saving Lives and Livelihoods while Supporting Green, Resilient and Inclusive Development (GRID)', which lays out a broad framework for supporting green, resilient, and inclusive development in developing countries. According to this paper, there is a need for "coordinated interventions across three areas: (1) Investing in all forms of capital, (2) macroeconomic and structural policies, institutional strengthening and technological innovation to enable the transition, and (3) mobilizing capital at scale, especially from the private sector".

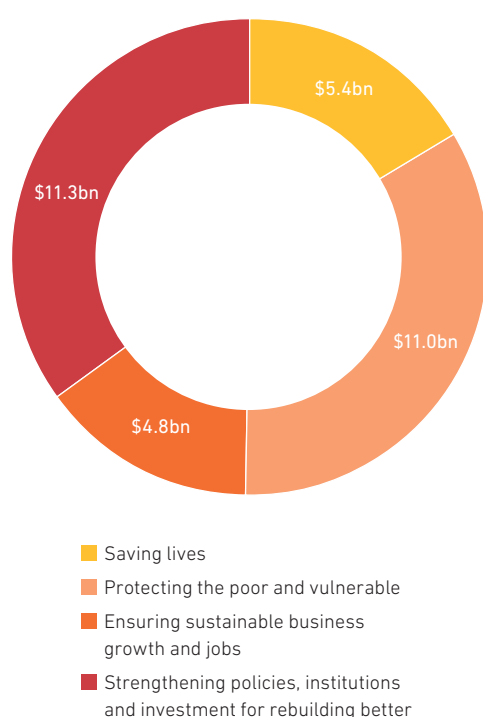
As is clear in Figure 2, the Bank's approach is not simply to address the needs arising as a result of the pandemic. Rather, the Covid-19 response is framed in terms of its broader policy approach outlined in Section 2 and provides an avenue for promoting far-reaching structural reforms with substantial emphasis on private finance and PPPs, particularly in the latter Pillars.

According to this strategy, IFC and MIGA will operate across multiple pillars, and through all three stages. In particular, IFC "will complement the work by the World Bank in all other pillars in terms of supporting client countries to limit downside risks from the pandemic, while maximising use of the Cascade to lower the strain on public sector debt."<sup>34</sup> For example, Pillar 1 titled 'Saving Lives', which covers the WBG's emergency health response, includes a role for the IFC under its US\$4bn Global Health Value Chain Platform to "mobilize private investment in order to close the massive healthcare supply gaps faced in particular by developing countries".<sup>35</sup> Pillar 4 calls for the "full range of Bank Group instruments with a focus on PPPs and private sector solutions".



As Figure 3 shows, a substantial share of resources has been directed towards the longer-term stages of the Covid-19 response. The IBRD/IDA US\$32.5bn Covid-19 response funding, disbursed between April and December 2020 and allocated to Pillar 4, which includes a focus on PPPs and private sector solutions, is more than double the Covid-19 response funding directed to Pillar 1, 'Saving Lives'.

**Figure 3: Allocation of IBRD/IFC Crisis Response Financing – April-December 2020 (US\$bn)**<sup>36</sup>



Source: World Bank "From COVID-19 Crisis Response to Resilient Recovery: Saving Lives and Livelihoods while Supporting Green, Resilient and Inclusive Development (GRID)" 2021.

In particular, the WBG approach recommends that even emergency responses should be mindful of the role of private finance in the longer term as "...keeping a clear line of sight on supporting the recovery and long-term development goals can guide interventions in the emergency stage to secure essential public services such as water, electricity and sanitation in ways that do not jeopardize the future recovery (where public-private partnerships will have to play an even greater role given the likelihood of higher public debt and debt vulnerabilities in most developing countries)."<sup>37</sup>

The crisis, therefore, provides an opportunity to deeper embed the WBG development vision. For example, the WBG states, "shared prosperity in the COVID-19 context prioritizes securing the foundations of the economy during the immediate crisis, restructuring firms and sectors, and promoting sustainable growth and job creation in the recovery. Here, selectively scaling up takes on a different form, particularly in the emergency relief phase, where incremental approaches are unlikely to have lasting impact.... The WBG can help countries scale up through public-private joint interventions that can channel resources at larger scale, leveraging public and private sector resources as well as Bank and IFC financing and advisory products."<sup>38</sup>

The Bank's longer-term perspective suggests that private sector finance can be used to plug the gap in public resources, with fiscal constraints presenting a rationale for increasing reliance on private sector finance. In order to 'Rebuild Better' the Bank calls for 'Private Sector Solutions' because "fiscal headroom and debt capacity will be severely constrained, making it imperative to find and further expand the use of private sector solutions".<sup>39</sup> The Bank suggests that "in those countries with limited fiscal space, public-private partnership schemes to pool and leverage resources, and mutualize risks, can play a key role."<sup>40</sup> The Cascade approach is expected to be operationalised, particularly in Pillars 3 and 4, as the WBG plans to coordinate its response through its different divisions.<sup>41</sup> In part this is intended to "lower the strain on public sector debt".<sup>42</sup>

Overall, the WBG aims to work along its different divisions to provide emergency support to respond to the pandemic but in a way which fits with the Bank's wider policy approach. This means there is a strong role for the IFC in supporting the private sector alongside IDA/IBRD support for governments to structure economies in line with the Bank's long-term development vision.

## 4. The Covid-19 response in practice

The WBG operates across a number of instruments in its work with client countries, including providing loans and grants to middle-income and low-income country governments to support projects and policies, in particular through development policy financing (DPF). The WBG also provides finance, including direct investment guarantees, to the private sector through the IFC and MIGA. In addition, the IFC provides advice to companies and governments to support the IFC's strategy to create markets and mobilise private investments.

This section shows findings from a review of selected World Bank interventions via IBRD and IDA, and from the 70 IFC Covid-19 response projects listed as of March 19 2021.

Although this does not cover the full range of activities that took place in the last 12 months, it draws attention to the key issues regarding the type of activities and clients to which WBG resources are being directed, beyond addressing the health emergency.

### 4.1 Advancing the MFD agenda

The World Bank website provides an Operational Response Project List.<sup>43</sup> Generally these take the form of emergency support to help countries provide health services and social protection measures in response to the health crisis, such as might be expected under Pillar 1 and Pillar 2 in the Bank's Covid-19 Response Strategy (See Figure 2).

However, some projects are linked to structural reforms around attracting private finance. Looking in more detail at the 92 Covid-19 projects listed as "Countries benefiting from other forms of finance/redeploying of existing projects" in March 2021,<sup>44</sup> a number of these indicate that pandemic support is used to promote a greater role for private sector financing, for example through PPPs and the WB's Cascade approach (examples are included in Box 1). In part, this is because of weakening government resources. The influence on structural reforms is mainly achieved through the use of conditions (officially known as 'prior actions' and 'trigger points') incorporated in development policy finance, which has been criticised in previous Eurodad research as a contested instrument.<sup>45</sup>

#### Box 1: Extracts from some WB Covid-19 response projects

In **Panama** part of the Bank's support is to strengthen the institutional framework for PPPs and public procurement. One of the project results is "Private sector financing mobilized to fund infrastructure services under the PPP law." Attracting private finance particularly to infrastructure is seen as 'paramount' in the context of 'public sector consolidation'.<sup>46</sup>

In **Ethiopia** Pillar 1 of the programme 'maximizing finance for development' has "promoting public-private partnerships" as the first measure and aims to increase the proportion of PPP contract for which more than four bids are received.<sup>47</sup>

In **Tunisia**, the WB project is expected to contribute to the implementation of the MFD approach and to crowd in additional IFC and private sector investors. The reforms supported under the programme are expected to "catalyze further IFC investment in Tunisia with a particular focus on PPPs in renewable energy, ports and desalination plants".<sup>48</sup>

In **Bangladesh**, the WB project has a sub-component (of \$17m) to support the structuring of PPPs, including facilitating the development of a pipeline of bankable projects (p.7). The challenges under Covid-19 are acknowledged. But "the scarcity of long-term finance, high interest rates and currency risk will require innovative and flexible PPP solutions."<sup>49</sup>

In **Colombia**, the WB project aims (under Pillar 3) to mobilise "private and long-term financing for infrastructure development through innovative models of catalytic government financing, mobilizing new funding sources and the elimination of regulatory bottlenecks preventing institutional investors from increasing their exposure to infrastructure."<sup>50</sup>

In **Kenya**, the World Bank aims to support the Government in crowding in private sector investment by advancing reforms for the successful development of PPPs.<sup>51</sup>

In **Uzbekistan**, the government is "working with several development partners, ... to strengthen the PPP regulatory and legal framework, strengthen institutional capacity and risk management, prepare a high-quality PPP project pipeline, and attract reputable international PPP investors to Uzbekistan."<sup>52</sup> The WB is supporting PPPs in renewable energy. Decarbonisation is itself considered to be constrained by "weaknesses in the PPP framework". This links with an IFC PPP project for a 100MW solar PV plant in Uzbekistan to be undertaken by a company owned by an investment company that is owned by the government of Abu Dhabi.<sup>53</sup>

In **the Philippines**, the WB Covid-19 response project "supports the WBG approach to maximizing finance for development (MFD), containing implementation of reforms which are expected to crowd in private sector investment".<sup>54</sup>



As stated in Section 2, the emphasis on attracting private finance is problematic for many reasons including high costs, fragmentation of services, prioritisation of investors' interests and pressures on inequality. However, in the context of the current crisis, a policy framework oriented around mobilising private finance raises specific additional issues.

Government finances, already stretched before the pandemic, have come under huge strain. Since the start of the crisis, the fiscal situation of many developing countries has been exacerbated by multiple issues.<sup>55</sup> External debt levels were rising before the pandemic with debt repayments crowding out government spending on essential services.<sup>56</sup> For instance, according to Jubilee Debt Campaign, before the pandemic hit, 64 lower income countries spent more on external debt payments than on healthcare.<sup>57</sup> Meanwhile, the current crisis is pushing debt levels to new heights.<sup>58</sup> Remittance flows to low and middle-income countries were projected to decline by 7.2 per cent in 2020 and a further decline of 7.5 per cent is predicted for 2021, the steepest declines in recent history.<sup>59</sup> In addition, developing countries saw a surge in capital outflows, three times larger than for the 2007 financial crisis in the first two months of the pandemic. Moreover, according to UNCTAD 2021 Investment Trends Monitor, FDI flows to developing countries decreased by 12 per cent in 2020, with weak prospects for 2021.<sup>60</sup>

In some cases the pandemic has exposed the risks associated with private financing.<sup>61</sup> Rather than filling a financing gap, such arrangements can create long-term contingent liabilities for governments.<sup>62</sup> For instance, some existing PPPs are likely to be under threat due to the fiscal strains that governments are facing. According to the IMF's Fiscal Affairs Department, the pandemic is expected to create additional costs for operational PPPs due to disinfection of equipment and facilities and workforce shortages. Revenue for user-funded PPP projects such as transportation is likely to fall due to reduced demand. These projects may be costly for governments which often provide minimum revenue guarantees in order to 'de-risk' privately financed projects. PPPs in the construction phase are likely to face challenges, for example with disruptions to supply chains.<sup>63</sup> Governments also face the risk of an increase in the effective costs of PPPs in the event of declining currency values where contracts are set in foreign exchange. Conscious of these problems, the World Bank's Public-Private Infrastructure Advisory Facility (PPIAF) established in mid-2020 a "rapid response umbrella program", to support governments in assessing the impact of Covid-19 on their PPP programs.<sup>64</sup> Meanwhile, some World Bank Covid-19 response projects include explicit support for governments to address the fiscal risks associated with PPPs (See Box 2).

In this situation, using scarce government resources to attract private finance risks increasing demands on fragile public finances. The WBG position, however, is that this calls for more intervention to attract private finance: "With rising public debt sustainability concerns, the private sector will require even more resources to support the restructuring and recovery phases. As such, demand for IFC resources is likely to grow further over the next few years."<sup>65</sup> It seems then that continuing to promote private finance would be at best a costly distraction. But narratives around 'fiscal space' have long been used to promote PPPs and other austerity policies that have been associated with spending contraction contributing to growing inequality.<sup>66</sup>

In discussions on 'Financing for development in the era of Covid-19 and beyond', that took place in 2020, the UN pointed out that public finance was responsible for around 90 per cent of infrastructure investment before Covid-19 in developing countries, and suggests that "this will not change in the more demanding circumstances of a post-COVID-world, especially in sectors or regions of the world that have historically found it difficult to attract private finance. Also, while financial engineering can potentially be used to create instruments that attract private investment even in these cases, it can be cheaper to use public finance".<sup>67</sup> Furthermore, staff at the IMF's Fiscal Affairs Department point out that without effective fiscal management, PPPs can "lead to waste and inefficiency, often increasing governments' exposure to fiscal risks and advancing projects with poor or even negative economic value for society (but generating benefits for investors)".<sup>68</sup>

---

**In some cases  
the pandemic has  
exposed the risks  
associated with  
private financing**

---

## Box 2: PPPs create fiscal strain – as the WB knows

In **Niger**, the WB project includes expanding the scope of debt reporting systems to include all PPPs.<sup>69</sup>

In **Madagascar**, the Bank seeks in part to address the fiscal risks and contingent liabilities arising from what they term a 'proliferation' of PPPs (p.14). "Rapidly rising public investments and a proliferation of PPPs, if poorly selected and managed, could contribute to promptly deplete fiscal space in an environment of low domestic resource mobilization and rising external finance needs. This lack of fiscal space could significantly constrain the Government's ability to respond to unexpected shocks".<sup>70</sup>

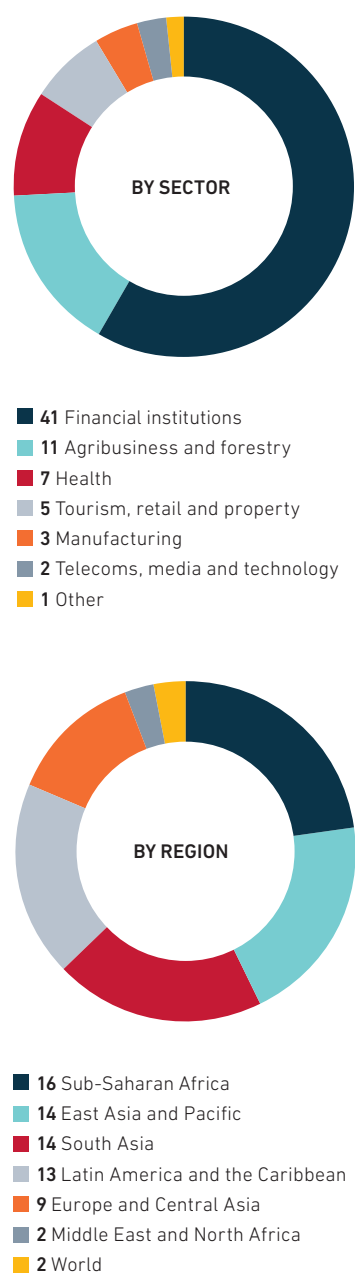
In **Albania** the WB project in part aims to bolster management of off-budget fiscal risks including to PPPs which have come under greater pressure in the recent crisis. In a footnote in this project document the Bank states "though PPPs do alleviate funding constraints in the short term, they increase contingent liabilities that may narrow the fiscal space for new investments in later years. Thus, PPPs need to be continuously re-evaluated".<sup>71</sup>

In **Colombia** the WB project plans to offer targeted and temporary measures to support utilities and PPPs facing financial strain as a result of Covid-19.<sup>72</sup>

In **Ecuador**, an initial WB project in 2019 targeted an increased role for PPPs, including creating a PPP project structuring unit.<sup>73</sup> However a follow-up Covid-19 response project in 2020 has been adjusted to reflect the impacts of the crisis. Facing substantial political and economic constraints, the government has "little political room to pursue reforms to the PPP Law and Labor Code originally contemplated".<sup>74</sup>

Moreover, when considering the income classification of countries, the IFC reports that over 49 per cent of its Covid-19 interventions between April and December 2020 were deployed to support existing private sector clients in IDA/FCS.<sup>77</sup>

**Figure 4: Distribution of IFC Covid-19 response projects, as of March 19 2021**



Source: Author's own calculation on the basis of IFC project database.<sup>78</sup>

However, looking at these projects in detail suggests that even in IDA countries, some projects are not reaching those most in need – see Box 3.

## 4.2 Who benefits from the IFC's Covid-19 response?

Approximately one-third of the WBG's Covid-19 response is likely to be channelled through the IFC. In light of the urgency of the situation, the IFC is focusing on existing clients due to the importance of rapid deployment of financing "to shore up private sector activity amidst the unprecedented context".<sup>75</sup>

On March 19 2021, the IFC had 70 Covid-19 response projects listed on its project database, dating back to April 2020.<sup>76</sup> Figure 4 shows the distribution of these IFC projects by sector and region. In particular, these figures indicate that the financial sector dominates the IFC response to the Covid-19 crisis, followed by agribusiness and forestry sector and health. When it comes to the regional distribution, Sub-Saharan Africa received a slightly higher focus, followed by East Asia and Pacific, and South Asia.

### Box 3: Some IFC Covid-19 response projects

An IFC loan of up to US\$25m to Hattha Kaksekar Limited (HKL) intended to support working capital and trade-related lending to **Cambodian** micro, small and medium enterprises as a result of the Covid-19 pandemic and will be supported by the IDA PSW blended finance facility, with 30 per cent of the loans being targeted at women and women-owned businesses. HKL is 100 per cent owned by a Thailand-based Bank which is majority owned by a subsidiary of the **Japanese** banking conglomerate, Mitsubishi UFJ Financial Group.<sup>79</sup>

In June 2020, the IFC approved an investment of up to US\$50m in a senior loan to Amret Plc with at least 30 per cent of the loans expected to be used for women and women-owned micro, small, and medium enterprises in **Cambodia**. The project was supported by the IDA PSW blended finance facility. The company is 53 per cent owned by Advans S.A, SICAR with IFC also having an ownership stake.<sup>80</sup> Advans is registered in **Luxembourg**.<sup>81</sup>

In **Tanzania** IFC support is provided to Kioo Ltd, a glass container manufacturing business based in Dar es Salaam.<sup>82</sup> This is owned by African Developments Limited, an associate of the Madhvani Group<sup>83</sup>, a huge east African conglomerate.<sup>84</sup>

In **Bangladesh** the IFC is providing working capital to the PRAN Group. This is the largest food processing company in Bangladesh, exporting to 110 countries.<sup>85</sup>

The IFC is lending US\$145m, to **Shangri-La Asia Limited** which has 101 hotels in over 20 countries in Asia, reporting that they had been severely hit by Covid-19.<sup>86</sup> Listed on the Hong Kong Stock Exchange, Shangri La Asia is incorporated in **Bermuda**. According to the Group company accounts, Shangri La Asia Ltd made a profit of £152m in 2019 and £193m in 2018.<sup>87</sup>

The IFC is planning a loan of US\$2.96 million to South African company, Bergman, Ross & Partners Radiologist Incorporated. This is to expand their medical diagnostic imaging practice in Accra, Quest Medical Imaging **Ghana**, to address a shortage in imaging facilities in Ghana. According to the website, Quest Medical Imaging, is a state-of-the-art medical imaging company.<sup>88</sup>

In **Mongolia**, the IFC is providing support to MCS Group which includes funds for "recapitalizing MCS' hospital subsidiary Intermed" in Ulaanbaatar as well as providing support for their property and construction business, their digital investments and other subsidiaries (MCS also owns a 31% stake in Mongolian Mining Corporation).<sup>89</sup>

Under the IDA PSW a US\$4m IFC loan to the International Medical Group (IMG) – the largest private hospital in **Uganda** – will address significant cash-flow constraints.<sup>90</sup> The IFC support for IMG, is linked to the **Mauritian** registered Ciel Healthcare Ltd.<sup>91</sup> While this is a private healthcare provider, the IFC states that this project is to help support subsidised medical aid to low income communities.<sup>92</sup>

#### 4.2.1 Reaching larger companies rather than small businesses

Informal workers who make up the majority of the workforce in developing countries (89 per cent in Sub-Saharan Africa (SSA) and 86 per cent in Central and Southern Asia) have been particularly badly affected by the pandemic, with an estimated fall in incomes of 60 per cent in the first month of the crisis.<sup>93</sup> Micro businesses such as street vendors, reliant on daily cash flows, are particularly hard hit.<sup>94</sup> Small and medium-sized enterprises (SMEs) have suffered greater losses than larger firms in the same sector. They tend to rely on grants and equity financing rather than loans.<sup>95</sup>

Over half of the IFC's projects are for financial intermediaries. Support is mostly for banks to roll out loans to private sector companies and SMEs that need financial liquidity. However, to reach these institutions, the IFC channels funds through large banks, in some cases owned by off shore wealthy parent company investors.<sup>96</sup> By channelling these funds in this way, they likely will be steered towards larger firms that are deemed more creditworthy.<sup>97</sup>

Domestic industry and tourism sectors have been hard hit by the pandemic but a review of the projects in Box 3 suggests that the ultimate beneficiaries are not necessarily poorer households or fragile enterprises. Some of the projects to support domestic industry are reaching established wealthy conglomerates and international hotel chains. Providing finance to global hotel chains with offshore ownership fails to support, and even risks, undermining local enterprise. Such investments are likely to embed global structures of inequality, such as bringing in international staff for senior management roles and confining the employment prospects for local workers to junior positions.

#### 4.2.2. Weakening of public systems

The IFC Covid-19 response has a strong focus on the health sector. It has established a US\$4m Global Health Platform to provide finance to manufacturers of healthcare products and to private healthcare service providers.<sup>98</sup> Projects support international private health companies.

The IFC's activities inevitably engage with private health providers in part because of the fragility of public health systems. Most LMICs have mixed public and private health systems and rely heavily on private providers for a significant portion of health service provision. Health systems are badly fragmented and private providers are an important part of dealing with the immediate impacts of the pandemic.<sup>99</sup>

But this is the result of years of erosion of state capacity, in large part due to the policies of the Washington Consensus. Public services have been severely weakened by neoliberal policies promoting austerity and market-oriented reforms.<sup>100</sup> Health systems have been undermined by funding cuts and privatisation.<sup>101</sup> PPPs in healthcare are associated with higher costs, prioritising the needs of investors, requiring complex contracts which often need to be renegotiated, and they may not improve the access of poor populations to healthcare.<sup>102</sup> This policy trajectory has contributed to underinvestment in public systems and the expansion of private providers, particularly in hospitals and diagnostics.<sup>103</sup>

The IFC has played a central role in restructuring health services as profitable financial investments. It has been a long-standing champion of private finance to extend corporate healthcare chains, and brokered the much-criticised PPP contract for the Queen Mamohato Memorial Hospital in Lesotho.<sup>104</sup> The hospital has had significant adverse and unpredictable financial consequences on public funds, and in 2016 the private partner Tsepong's 'invoiced' fees amounted to two times the 'affordability threshold' set by the Government and the WB at the outset of the PPP.<sup>105</sup> In March 2021, when the country was struggling to cope with Covid-19 coming on top of TB and HIV, the hospital fired hundreds of nursing staff that took industrial action calling to be paid the same as counterparts in other government institutions.<sup>106</sup>

The pandemic has demonstrated the importance of effective public health systems which are free at the point of access.<sup>107</sup> Longer term, a more equitable public health system is needed. However, the high profile role played by the IFC in the Covid response would suggest that this is not on the WBG policy agenda. The emphasis on a market-led response to the public healthcare crisis shows that the crisis provides an opportunity to deepen commitments to a marketised private health system.<sup>108</sup>

### 5. Beyond the pillars: Business as usual at the WBG?

The WBG Covid-19 approach is to frame even the short-term emergency response with a 'line of sight' to long-term goals.<sup>109</sup> While many initial WBG projects have focused on the emergency response to sustain health systems and essential supplies, and to support vulnerable communities, the above review suggests that in the longer term such support will be linked to structural reforms to increase the role of the private sector.

To set this in context, this section contains a brief review of the WB's 15 recent Country Policy Frameworks (CPFs), dated to start from FY 2020 or FY 2021. CPFs set out the objectives for WB support at the country level and set the context for the WB's DPF. It also includes a review of a sample of IFC projects that are not part of the Covid-19 response. These are the 60 IFC projects listed – as of March 19, 2021 – as disclosed in the first two months of 2021.

Most of the CPFs indicate a commitment to using the MFD approach and PPPs to promote development outcomes. Promoting private finance is core policy for the Bank and country governments (Box 4). Meanwhile, the review of our sample of IFC projects reveals similar concerns to those referenced in Section 4 (see Box 5).

#### Box 4: Review of Country Policy Frameworks starting 2020 and 2021

For the **Central African Republic** CPF proposes to use the MFD to enhance the business environment and support job creation.<sup>110</sup>

In the **Republic of Congo** the WBG will coordinate with the objective of Maximizing Finance for Development to achieve the CPF objectives.<sup>111</sup>

In **Myanmar** the CPF states that the WBG will apply the MFD principles, drawing upon a mix of public and private sector financing options and solutions.<sup>112</sup>

In **Sierra Leone**, the Cascade approach is evident across the various focus areas of the CPF including Energy and Agriculture.<sup>113</sup>

In **Senegal**, the energy sector is seen as a noteworthy example of the Bank's Cascade approach in the CPF with efforts to improve governance, leveraging PPPs with IFC and MIGA. The IFC also plans to explore opportunities to support the private provision of tertiary education.<sup>114</sup>

In **China**, the CPF proposes using PPPs to achieve more Effective and Sustainable Subnational Fiscal Management and Infrastructure Financing.<sup>115</sup>

The CPF for **Kazakhstan** cites plans to explore the use of PPPs across sectors including in health, with support from IFC and MIGA (p.55), despite concerns raised by civil society.<sup>116</sup>

The CPF for **Mexico** lists plans to implement PPPs in key sectors.<sup>117</sup>

The CPF for **Rwanda** also plans to use PPPs across infrastructure sectors.<sup>118</sup>

In **Nigeria**, the 2020-25 CPF indicates that private finance is seen as a requirement in light of the constraints facing government spending.<sup>119</sup>

In **Timor-Leste**, the CPF will be in line with the MFD approach, including considering attracting private investments in health and affordable housing.<sup>120</sup>

#### Box 5: According to a review of IFC projects reaching disclosure in January and February 2021, the IFC is:

Supporting the government of **Somalia** to develop a legal and institutional framework for the implementation of PPPs, with a budget of US\$1.59m.<sup>121</sup>

Proposing an equity investment of Euro 15m in BlackPeak SEE Growth Fund SCSp, a private equity fund also domiciled in **Luxembourg**.<sup>122</sup>

Proposing investing up to \$15m in a venture capital fund Learn Capital Venture Partners IV, registered in the **Cayman Islands**.<sup>123</sup>

Investing up to US\$10m in the Ascent Rift Valley private equity fund targeting small and medium companies in Ethiopia, Kenya, Uganda, Tanzania and Rwanda. The Fund will be managed by Ascent Capital Management Africa II Ltd, a limited liability company established under the laws of **Mauritius**.<sup>124</sup>

Lending up to \$150m to BMCE Bank International Plc a subsidiary of the Bank of Africa (formerly BMCE Bank), including support from the IDA PSW Blended Finance Facility.<sup>125</sup> BMCE Bank International is **headquartered in London and made a profit in 2019 of £2.852m** (in 2018, £2.168m).<sup>126</sup>

Lending up to US\$40m to Sagicor Bank Jamaica Ltd to lend to **Jamaican** enterprises including to support SMEs in the Covid-19 pandemic. But Sagicor is a publicly traded company with over 36,000 shareholders, listed on the **Toronto** stock exchange.<sup>127</sup>

Lending a \$50m loan to Brandix, an apparel company based in **Sri Lanka**<sup>128</sup> which has associated companies in USA, UK, Haiti, Australia, Bangladesh, Cambodia, **India, Singapore**.<sup>129</sup>

Lending \$50m to PT Gunung Sewu Kencana (GSK) to support the development of affordable housing in **Indonesia**.<sup>130</sup> This company employs 30,000 people working in food, insurance, property and manufacturing.<sup>131</sup>

Investing up to US\$104m in a fund to invest in 'distressed assets in **India**.' The fund will be established in Singapore and the controlling stake is held by JC Flowers, a USA based private equity firm.<sup>132</sup> The project is described as a 'vulture fund'.<sup>133</sup>

Lending US\$160m to support the **Kasada Hospitality Fund**, a US\$500 million private equity fund backed by the **Qatar Investment Authority** (QIA), Qatar's sovereign wealth fund and **Accor, Europe's largest hospitality group**, to build a portfolio of hotels in Sub-Saharan Africa.<sup>134</sup>

This review reveals that overall the IFC is promoting PPPs even in countries with extremely fragile states; some IFC financing is supporting large and apparently profitable private companies based in the global North; support provided for local industry is reaching large local businesses rather than a nascent private sector; and investments in tourism are reaching wealthy investors with an international portfolio, for projects in Sub-Saharan Africa, that risk undermining domestic enterprise.

In addition, civil society organisations have previously raised strong concerns about IFC investments being linked to jurisdictions that have caused concerns in relation to international tax avoidance.<sup>135</sup> Despite this, the examples mentioned in box 5 still include links to such jurisdictions, including Luxembourg<sup>136</sup>, Cayman Islands<sup>137</sup> and Mauritius<sup>138</sup>. In order to combat international tax avoidance, civil society organisations have also called for the IFC to introduce transparency tools that allow for the tracking of resources and full clarity around ownership structures, including public country by country reporting and public beneficial ownership registers.<sup>139</sup> Unfortunately, there are no signs that the IFC has acted on these recommendations.

The above analysis of recent CPFs and IFC projects indicates that the WBG's Covid-19 response, therefore, has been constructed to fit well with the longer term policy trajectory. However, this is not a time for fiscal contraction<sup>140</sup> and committing government funds to seeking private sector projects is likely to exacerbate the situation.

---

**Some IFC financing is supporting large private companies based in the global North, and large local businesses rather than a nascent private sector**

---

## 5.1 Alternative ways of enhancing fiscal space

---

There are ways to enhance fiscal space that are more genuine and sustainable for developing countries.

If the donor community were to meet the 0.7% Official Development Assistance (ODA) target for the next two years this would generate around \$380bn above current commitments.<sup>141</sup> The quality of ODA is also crucial and has to be preserved. Worryingly, recent changes in the rules to report ODA seems to be undermining the capacity of ODA to respond to its core mandate of eradicating poverty and inequalities.<sup>142</sup>

Fighting illicit financial flows, including international tax avoidance, will also be vital. UNCTAD has estimated that one type of corporate tax avoidance alone is costing developing countries around US\$100 billion per year, meaning that the total loss can be assumed to be significantly higher.<sup>143</sup> In its final report, which was recently released, the High-level Panel on International Financial Accountability, Integrity and Transparency for Achieving the 2030 Agenda (the FACTI Panel) put forward a list of recommendations for how to strengthen the international fight against such illicit financial flows. Two of the central recommendations were about setting up an intergovernmental tax body under the auspices of the United Nations, as well as initiating the negotiation of a new international UN Convention on Tax.<sup>144</sup>

A comprehensive debt relief package will be important. The G20 Debt Service Suspension Initiative (DSSI) announced in April 2020 provides a suspension of principal and interest payments on debt due between 1 May and 31 December 2020 by the 77 IDA (the least developed) countries (although some of these countries have been excluded from the initiative). But this is just a temporary suspension with debt to be repaid in full during 2022-2024.<sup>145</sup> The DSSI is only postponing repayment pressures and many low and middle-income countries are not included.<sup>146</sup> And the DSSI does not include creditors in the private sector and China. More attention must be directed to coordinated debt restructuring and a longer term rethink of global sovereign debt architecture.<sup>147</sup>



## 6. Conclusions and policy recommendations

The WBG sees Rebuilding Better as being "anchored in longstanding core principles including transparency, fair and equitable burden sharing, strong focus on poverty, inequality and inclusion".<sup>148</sup> Yet, as this report shows, the WBG's Covid-19 response builds on decades of neoliberal policies that have contributed to widening inequality within and across countries. Reconstructing essential social needs, such as health, education and water, as business opportunities for global capital can exacerbate divisions in access and weakened universal coverage.<sup>149</sup>

As this report shows, the WBG response to the crisis has provided a platform to reboot its model of development, oriented around markets and the private sector as well as a scaling back of the state. The IFC plays a prominent role in the WBG response to the pandemic, which is also an indication of the low priority attached to equitable state financed and provided public services. The IFC sees its role as creating markets and mobilising investors,<sup>150</sup> and has a history of promoting private health and education.<sup>151</sup>

The WBG is committed to 'private sector solutions' in its Covid-19 response, but greater differentiation is needed regarding the nature of private sector entities. The policy implications vary substantially depending if support is provided to a small locally-owned enterprise or an international conglomerate either directly or through its subsidiaries. The implications are different again if the private sector is providing essential infrastructure and/or core public services.

The emphasis on raising private finance risks weakening the resilience of governments. The MFD agenda, including the use of PPPs, can leave infrastructure and public services fragmented and under-resourced. The prioritising of market solutions is set to weaken capacity for public services.<sup>152</sup>

If countries are to 'Rebuild Better', adequate levels of public finance are needed. This can be achieved through, among other things, meeting ODA commitments, tackling tax avoidance and evasion, and an immediate cancellation of debt payments, linked to a more comprehensive approach to debt crisis resolution under the auspices of the United Nations. At the same time, private finance as a source of finance for development needs to be downgraded, given the overwhelming evidence of its failure to effectively contribute to sustainable development.

## Policy recommendations

- The MFD/Cascade approach should be completely re-evaluated. Private finance is not a substitute for public funds and creates a strain on governments. Scarce public resources should not be used to convert essential services into attractive private investments. The emergency humanitarian response should be de-linked from the wider private finance agenda.
- The WBG needs to restore the balance between the public and private sector in its Covid-19 response and beyond, including in its modalities and instruments. Developing countries are in need of concessional resources to strengthen their public systems, particularly health, education and social protection, and to stimulate economic recovery. This includes, among other things:
  - Placing greater emphasis on supporting public health systems. This is a long-term objective, but it can begin by ceasing advising governments to bring in international private providers, and avoiding supporting commercial private health facilities that undermine public system building.
  - Reassessing the activities of the IFC in the Covid-19 response, and beyond. Rather than providing finance to large conglomerates and global investors, more attention is needed to fostering local businesses. Rather than large commercial private banks, public national development banks may offer cheaper and more equitable means of disbursing IFC loans.
  - Strengthening IFC due diligence procedures, as a way of combating international tax avoidance, by demanding public country by country reporting and public beneficial ownership registration for all its clients, partners and business relations.
- The WBG needs to work to upscale the DSSI to include debt cancellation by all MDBs, including the WBG, and to work towards restructuring sovereign debt across all creditors.
- The WBG needs to anchor its activities in inclusive civil society engagement throughout all phases of the project cycle so as to ensure a high-degree of citizen accountability, an area which has been weakened during the crisis response.

In line with the WBG approach, these changes are long-term but also need to be incorporated into current activities. Interventions today need to have a line of sight to future economic and social structures. The pandemic does offer an opportunity to rebuild better but this means rebuilding fairer. Global social equity needs to be at the heart of long-term plans in order to reset, reshape, rebuild and recover better.

## Endnotes

- 1 See World Bank. 'From COVID-19 Crisis Response to Resilient Recovery: Saving Lives and Livelihoods while Supporting Green, Resilient and Inclusive Development (GRID)' 2021 <https://www.devcommittee.org/sites/dc/files/download/Documents/2021-03/DC2021-0004%20Green%20Resilient%20final.pdf>
- 2 See UN Women 'Will the Pandemic Derail Hard-won progress on gender Equality' 2020. <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/spotlight-on-gender-covid-19-and-the-sdgs-en.pdf?la=en&vs=5013>; See 'Eurodad Covid-19 crisis: How the pandemic is deepening gender inequalities', 2021 [https://www.eurodad.org/how\\_the\\_pandemic\\_is\\_deepening\\_gender\\_inequalities\\_1](https://www.eurodad.org/how_the_pandemic_is_deepening_gender_inequalities_1)
- 3 See World Bank 2021.
- 4 World Bank "Global Economic Prospects" <https://www.worldbank.org/en/publication/global-economic-prospects> 2021, p. 121
- 5 See UN: Secretary-General Guterres calls for a global reset, "to recover better, guided by human rights" <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=26769&LangID=E>
- 6 Stubbs, T., Kring, W., Laskaridis, C., Kentikelenis, A., & Gallagher, K. (2021). Whatever it takes? The global financial safety net, Covid-19, and developing countries. *World Development*, 137, 105171.
- 7 See <https://www.worldbank.org/en/about/what-we-do/brief/world-bank-group-operational-response-covid-19-coronavirus-projects-list> and World Bank. "Saving Lives, Scaling-up Impact and Getting Back on Track", WBG COVID-19 Crisis Response Approach Paper, June 2020a <http://documents1.worldbank.org/curated/en/136631594937150795/pdf/World-Bank-Group-COVID-19-Crisis-Response-Approach-Paper-Saving-Lives-Scaling-up-Impact-and-Getting-Back-on-Track.pdf>
- 8 See World Bank 2020a, p.27.
- 9 See World Bank 2021.
- 10 Dimakou, O., Romero M.J. and Van Waeyenberge E. Never let a pandemic go to waste: How the World Bank's Covid-19 response is prioritising the private sector. Eurodad, 2020 [https://www.eurodad.org/never\\_let\\_a\\_pandemic\\_go\\_to\\_waste](https://www.eurodad.org/never_let_a_pandemic_go_to_waste)
- 11 K. Bayliss and B. Fine Privatization and Alternative Public Sector Reform in Sub-Saharan Africa, Palgrave Macmillan: London. 2008.
- 12 World Bank and IMF, 'From Billions to Trillions: transforming development finance', 2015, <https://www.devcommittee.org/sites/www.devcommittee.org/files/download/Documentation/DC2015-0002%28E%29FinancingforDevelopment.pdf>
- 13 Dimakou et al, 2020.
- 14 Gabor, D. "The Wall Street Consensus" *Development and Change*, <https://onlinelibrary.wiley.com/doi/10.1111/dech.12645?af=R>
- 15 WBG 'Maximizing Finance for Development: Leveraging the Private Sector for Growth and Sustainable Development' 2017 [https://www.devcommittee.org/sites/dc/files/download/Documentation/DC2017-0009\\_Maximizing\\_8-19.pdf](https://www.devcommittee.org/sites/dc/files/download/Documentation/DC2017-0009_Maximizing_8-19.pdf)
- 16 Tri Hata Karana Roadmap for Blended Finance: Blended Finance & Achieving the Sustainable Development Goals, [https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/\\_THK%20Roadmap%20booklet%20A5.pdf](https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/_THK%20Roadmap%20booklet%20A5.pdf)
- 17 Bayliss, K., Bonizzi, B., Dimakou, O., Laskaridis, C., Sial, F., and Van Waeyenberge, E. 'The use of development funds for de-risking private investment: How effective is it in delivering development?' Study requested by the DEVE committee, European Parliament, 2020, [https://www.europarl.europa.eu/thinktank/en/document.html?reference=EXO\\_STU%282020%29603486](https://www.europarl.europa.eu/thinktank/en/document.html?reference=EXO_STU%282020%29603486)
- 18 See Dimakou et al, 2020 for more on the IDA PSW.
- 19 See for example the 2021 report 'Mobilization of Private Finance by Multilateral Development Banks and Development Finance Institutions 2019'. <https://www.ifc.org/wps/wcm/connect/8249bfb4-2ad0-498d-8673-90fe196cb411/2021-01-14-MDB-Joint-Report-2019.pdf?MOD=AJPERES&CVID=ns1zGNo>
- 20 See World Bank 'World Bank Group Approaches to Mobilize Private Capital for Development: An Independent Evaluation', World Bank, Washington, DC. 2020 <https://openknowledge.worldbank.org/handle/10986/35040>
- 21 See, for instance, See: Bayliss, K., Fine, B. (Eds.), Privatization and alternative public sector reform in Sub-Saharan Africa - Delivering on electricity and water, 2008, Palgrave Macmillan, UK. Bayliss, K., 'Privatization theory and practice: a critical analysis of policy evolution in the development context', in: Fine, B., Jomo, K.S. (Eds.), *The New Development Economics: After the Washington Consensus*. Palgrave Macmillan, New Delhi, 2006, pp. 144–161; BWP, 'The IMF and World Bank-led Covid-19 recovery: Building back better or locking-in broken policies?' Bretton Woods Project, 2020, accessed on 22 July, 2020, <https://www.brettonwoodsproject.org/2020/07/the-imf-and-world-bank-led-covid-19-recovery-building-back-better-or-locking-in-broken-policies/>; Kentikelenis, A.E.; Gabor, D.; Ortiz, I.; Stubbs, T.; McKee, M.; Stuckler, D., 'Softening the blow of the pandemic: will the International Monetary Fund and World Bank make things worse?' *Lancet Global Health*, 8 (6), e758–e759, 2020.
- 22 For a review, see: Bayliss et al., 2020.
- 23 Eurodad. 'History RePPeated: How public-private partnerships are failing'. 2018. [https://d3n8a8pro7vnm.cloudfront.net/eurodad/pages/508/attachments/original/1590679608/How\\_Public\\_Private\\_Partnerships\\_are\\_failing.pdf?1590679608](https://d3n8a8pro7vnm.cloudfront.net/eurodad/pages/508/attachments/original/1590679608/How_Public_Private_Partnerships_are_failing.pdf?1590679608) See also contributions in J. Gideon and E. Unterhalter (eds.) *Critical Reflections on Public Private Partnerships* Routledge: London. DOI.org/10.4324/9780429280450
- 24 See Jubilee Debt Report 'The UK's PPP Disaster: Lessons on private finance for the rest of the world' 2017. <https://jubileedebt.org.uk/wp-content/uploads/2017/02/The-Uks-PPPs-disaster-web.pdf>
- 25 See Eurodad and EPSU 'Why public-private partnerships (PPPs) are still not delivering' 2020 [https://www.eurodad.org/why\\_public\\_private\\_partnerships\\_are\\_still\\_not\\_delivering](https://www.eurodad.org/why_public_private_partnerships_are_still_not_delivering)
- 26 See Eurodad Briefing 'Can Public-private Partnerships deliver gender equality?' <https://www.eurodad.org/ppp-genderand> DAWN Informs "PPPs and Women's Human Rights: Feminist Analysis from the Global South" 2021 [https://dawnnet.org/wp-content/uploads/2021/03/DAWN\\_Informs\\_on\\_PPPs\\_March2021.pdf](https://dawnnet.org/wp-content/uploads/2021/03/DAWN_Informs_on_PPPs_March2021.pdf)
- 27 See IFC Annual Report 2020, p.5
- 28 See World Bank 2020a p.23.
- 29 Duggan, J., S. Morris, J. Sandefur and G. Yang. 'Is the World Bank's COVID--19 Crisis Lending Big Enough, Fast Enough? New Evidence on Loan Disbursements' Working Paper 554, Centre for Global Development, 2020, p.5
- 30 See the letter sent on October 1, 2020 to the Government Accountability Office by Congresswoman Maxine Waters, Chairwoman of the House Financial Services Committee, and Senator Patrick Leahy, Vice Chairman of the Senate Committee on Appropriations, requesting an analysis of the IDA's financing model, financial viability, and risk management. See <https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=406978>
- 31 Overseas Development Institute "How IDA can support recovery from the Covid-19 crisis" <https://odi.org/en/insights/how-ida-can-support-recovery-from-the-covid-19-crisis/>
- 32 Bretton Woods Project "World Bank in talks over early IDA replenishment this year" 23 March 2021 <https://www.brettonwoodsproject.org/2021/03/world-bank-in-talks-over-early-ida-replenishment-this-year/> World Bank Annual Report 2020, and Joint IMFC and Development Committee Statement by Secretary Steven T. Mnuchin, U.S. Department of the Treasury, see <https://home.treasury.gov/news/press-releases/sm1153>
- 33 See <https://www.devex.com/news/world-bank-eyes-early-ida-replenishment-as-it-boosts-spending-in-COVID--19-response-99207>
- 34 See World Bank 2020a, p.38.
- 35 See World Bank 2020a, p.18.
- 36 See World Bank 2021.
- 37 See World Bank 2020a, p.14.
- 38 See World Bank 2020a, p. 2.
- 39 See World Bank 2020a p.31
- 40 See World Bank 'Leaning Forward to Save Lives, Scale-up Impact and Get Back on Track: World Bank Group COVID-19 Crisis Response Update'. 2020b. [https://www.devcommittee.org/sites/dc/files/download/Documents/2020-10/Final\\_DC2020-0006%20COVID%2019%20P.pdf](https://www.devcommittee.org/sites/dc/files/download/Documents/2020-10/Final_DC2020-0006%20COVID%2019%20P.pdf) 2020b, p. 8.
- 41 See for example World Bank 2020b p. ii and iii and World Bank 2020a, p. 38
- 42 World Bank 2020a, p.38.
- 43 <https://www.worldbank.org/en/about/what-we-do/brief/world-bank-group-operational-response-COVID--19-coronavirus-projects-list>
- 44 The WB lists three types of projects under its Operational Response to Covid-19 projects list: i) those benefitting from the dedicated Covid-19 Fast Track Facility, ii) those receiving vaccine financing and iii) countries receiving other forms of finance or redeploying of existing projects. <https://www.worldbank.org/en/about/what-we-do/brief/world-bank-group-operational-response-COVID--19-coronavirus-projects-list>
- 45 See Eurodad 'Flawed conditions: The impact of the World Bank's conditionality on developing countries' 2019 <https://www.eurodad.org/flawed-conditions>
- 46 World Bank. Panama Pandemic Response and Growth Recovery Development Policy Loan (P174107), <http://documents1.worldbank.org/curated/en/899581607742064952/pdf/Panama-Pandemic-Response-and-Growth-Recovery-Development-Policy-Loan.pdf>
- 47 World Bank. 2020. COVID--19 Supplemental Financing to the Second Ethiopia Growth and Competitiveness Programmatic Development Policy Financing (P169080) <http://documents1.worldbank.org/curated/en/502051611068354305/pdf/Ethiopia-COVID--19-Supplemental-Financing-to-the-Second-Ethiopia-Growth-and-Competitiveness-Programmatic-Development-Policy-Financing.pdf>
- 48 World Bank. 2020 First Resilience and Recovery Emergency Development Policy Financing (P173324) p.53 <http://documents1.worldbank.org/curated/en/650751592619063714/pdf/Tunisia-First-Resilience-and-Recovery-Emergency-Development-Policy-Financing.pdf>
- 49 Bangladesh Private Investment & Digital Entrepreneurship Project (P170688) <http://documents1.worldbank.org/curated/en/318971590199287636/pdf/Bangladesh-Private-Investment-and-Digital-Entrepreneurship-Project.pdf> (p.21).
- 50 World Bank. 'Resilient and Sustainable Infrastructure for Recovery Development Policy Financing (Report No: PGD182)' <http://documents1.worldbank.org/curated/en/322661601776858403/pdf/Colombia-Resilient-and-Sustainable-Infrastructure-for-Recovery-Development-Policy-Financing-Project.pdf> (p.9)
- 51 World Bank 'Inclusive Growth and Fiscal Management DPO 2 (P172321)' <http://documents1.worldbank.org/curated/en/318971590199287636/pdf/Kenya-Second-Inclusive-Growth-and-Fiscal-Management-Development-Policy-Financing-Program.pdf> p.42

- 52 World Bank. 'Supporting a Transparent and Inclusive Market Transition Development Policy Operation' 2020. <http://documents1.worldbank.org/curated/en/355751608433299795/pdf/Uzbekistan-Supporting-a-Transparent-and-Inclusive-Market-Transition-Development-Policy-Operation.pdf> p.27
- 53 See <https://disclosures.ifc.org/project-detail/SII/42525/uz-scaling-solar>
- 54 World Bank. 'Promoting Competitiveness and Enhancing Resilience to Natural Disasters Sub-Program 2 Development Policy Loan' (P170914), p.26. <http://documents1.worldbank.org/curated/en/370011608433259133/pdf/Philippines-Promoting-Competitiveness-and-Enhancing-Resilience-to-Natural-Disasters-Sub-Program-2-Development-Policy-Loan.pdf>
- 55 Jomo, K.S., Chowdhury, A. COVID-19 Pandemic Recession and Recovery. Development 63, 226–237 (2020). <https://doi.org/10.1057/s41301-020-00262-0>
- 56 See Eurodad "Out of service: How public services and human rights are being threatened by the growing debt crisis" 2020 [https://www.eurodad.org/g20\\_dssi\\_shadow\\_report](https://www.eurodad.org/g20_dssi_shadow_report)
- 57 Jubilee Debt "Sixty-four countries spend more on debt payments than health" 2020 <https://jubileedebt.org.uk/press-release/sixty-four-countries-spend-more-on-debt-payments-than-health>
- 58 See Eurodad "The G20 Debt Service Suspension Initiative: Draining out the Titanic with a bucket?" 2020. [https://www.eurodad.org/g20\\_dssi\\_shadow\\_report](https://www.eurodad.org/g20_dssi_shadow_report)
- 59 See Report by Knomad "Phase II: COVID-19 Crisis through a Migration Lens" Migration and Development Brief 33, World Bank Group 2020 [https://www.knomad.org/sites/default/files/2020-11/Migration%20%26%20Development\\_Brief%2033.pdf](https://www.knomad.org/sites/default/files/2020-11/Migration%20%26%20Development_Brief%2033.pdf)
- 60 See <https://unctad.org/news/global-foreign-direct-investment-fell-42-2020-outlook-remains-weak>
- 61 See United Nations "Financing for Sustainable Development Report 2021: Inter-agency Task Force on Financing for Development" New York 2021
- 62 Jomo, K.S., Chowdhury, A. COVID-19 Pandemic Recession and Recovery. Development 63, 226–237 (2020). <https://doi.org/10.1057/s41301-020-00262-0>
- 63 See IMF "What is the Covid-19 crisis impact on Public-Private Partnerships?" 2020. <https://blog-pfm.imf.org/pfmblog/2020/04/-what-is-the-covid-19-crisis-impact-on-public-private-partnerships-.html>
- 64 See <https://ppiaf.org/covid-19-ppp-rapid-response-umbrella-program> and <https://blogs.worldbank.org/ppps/year-helping-governments-roll-covid-19s-punches-infra-structure-ppps-what-weve-learned>
- 65 World Bank 2020b, p.18
- 66 Ortiz, I. and M. Cummins 'Austerity: The New Normal A Renewed Washington Consensus 2010-24' 2019 <https://policydialogue.org/files/publications/papers/Austerity-the-New-Normal-Ortiz-Cummins-6-Oct-2019.pdf>
- 67 See United Nations. Financing for Development in the Era of COVID-19 and Beyond Menu of Options for the Considerations of Ministers of Finance Part II 2020. [https://www.un.org/sites/un2.un.org/files/financing\\_for\\_development\\_covid19\\_part\\_ii\\_hosg.pdf](https://www.un.org/sites/un2.un.org/files/financing_for_development_covid19_part_ii_hosg.pdf)
- 68 See E. Tandberg and R. Allen, "Managing Public Investment Spending During the Crisis" IMF Fiscal Affairs Special Series on Covid-19 <https://blog-pfm.imf.org/pfmblog/2020/05/-managing-public-investment-spending-during-the-covid-19-crisis-.html#more>
- 69 See World Bank Laying the Foundation for Inclusive Development Policy Financing (P173113) <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/648131597024865879/niger-second-laying-the-foundation-for-inclusive-development-policy-financing>
- 70 Madagascar Disaster Risk Management Development Policy Grant with a Catastrophe Deferred Drawdown Option (Cat DDO) (P167941) <http://documents1.worldbank.org/curated/en/137521576465305187/pdf/Madagascar-Disaster-Risk-Management-Development-Policy-Financing-with-a-Catastrophe-Deferred-Drawdown-Option-Project.pdf> p. 14 and 36.
- 71 Fiscal Sustainability and Growth Development Policy Financing (P169524) <http://documents1.worldbank.org/curated/en/959131608001564065/pdf/Albania-Fiscal-Sustainability-and-Growth-Development-Policy-Financing.pdf> p. 24.
- 72 World Bank. 'Resilient and Sustainable Infrastructure for Recovery Development Policy Financing (Report No: PGD182) <http://documents1.worldbank.org/curated/en/322661601776858403/pdf/Colombia-Resilient-and-Sustainable-Infrastructure-for-Recovery-Development-Policy-Financing-Project.pdf>
- 73 See World Bank Project Document Ecuador "First Inclusive and Sustainable Growth Development Policy Loan," PGD84.
- 74 World Bank Ecuador Second Inclusive and Sustainable Growth Development Policy Loan, PGD118, Programme Document (p.25)
- 75 [https://www.ifc.org/wps/wcm/connect/news\\_ext\\_content/ifc\\_external\\_corporate\\_site/news+and+events/covid-19/covid-19-financing#cf-criteria](https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/covid-19/covid-19-financing#cf-criteria)
- 76 A review of IFC projects was undertaken on 19<sup>th</sup> March 2021.
- 77 See World Bank 2021.
- 78 Source: IFC projects database, accessed 19<sup>th</sup> March 2021 <https://disclosures.ifc.org/>
- 79 <https://disclosures.ifc.org/project-detail/SII/44211/wcs-COVID--hkl>
- 80 <https://disclosures.ifc.org/project-detail/SII/44231/wcs-COVID--amret>
- 81 <https://www.advansgroup.com/about-us/our-governance/>
- 82 <https://disclosures.ifc.org/#/projectDetail/SII/38664>
- 83 <https://disclosures.ifc.org/project-detail/SII/44360/kiio-limited>
- 84 <https://www.madhvanifoundation.com/content/madhvani-group-companies>
- 85 <https://www.pranfoods.net/global-reach/global-footprint>
- 86 <https://disclosures.ifc.org/project-detail/SII/43914/sl-hotels-asia>
- 87 <https://sitecore-cd.shangri-la.com/-/media/Project/Shangri-La-Group/Investor/Files/Public-Disclosures/Financial-Information/Financial-Reports/2019Annual-Report-Eng.pdf>
- 88 <https://www.questmedicalimaging.com/about>
- 89 <https://disclosures.ifc.org/project-detail/SII/44118/mcs-COVID-->
- 90 See <https://www.worldbank.org/en/news/feature/2020/11/13/ida-and-the-private-sector-join-forces-to-fight-the-pandemic-in-the-most-fragile-countries>
- 91 <https://disclosures.ifc.org/project-detail/SII/44074/rse-COVID--ciel-healthcare-limited>
- 92 <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=18606>
- 93 See UN The Sustainable Development Goals Report 2020 <https://unstats.un.org/sdgs/report/2020/>
- 94 Jomo, K.S., Chowdhury, A. COVID-19 Pandemic Recession and Recovery. Development 63, 226–237 (2020). <https://doi.org/10.1057/s41301-020-00262-0>
- 95 See Adian, I., D., Doumbia, N. Gregory, A. Ragoussis, A. Reddy, and J. Timmis, 'Small and medium enterprises in the pandemic. Impact, response and the role of development finance', World Bank Policy Research Working Paper 9414, 2020, <http://documents1.worldbank.org/curated/en/729451600968236270/pdf/Small-and-Medium-Enterprises-in-the-Pandemic-Impact-Responses-and-the-Role-of-Development-Finance.pdf>
- 96 See also Dimakou et al 2020.
- 97 Jomo, K.S., Chowdhury, A. COVID-19 Pandemic Recession and Recovery. Development 63, 226–237 (2020). <https://doi.org/10.1057/s41301-020-00262-0>
- 98 See IFC 'Getting Developing Countries the COVID-19 Supplies They Need' [https://www.ifc.org/wps/wcm/connect/news\\_ext\\_content/ifc\\_external\\_corporate\\_site/news+and+events/news/covid-19-supplies](https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/covid-19-supplies)
- 99 See Engel, S., Madkour, N., & Williams, O. (2020). The World Bank's Response to Covid-19. Jubilee Australia [https://jubilee.worldsecuresystems.com/\\_literature\\_167253/The\\_World\\_Bank's\\_Response\\_to\\_Covid-19; Williams, O, Yung, K & Grépin, K. \(2021\) The failure of private health services: COVID-19 induced crises in low- and middle-income country \(LMIC\) health systems, Global Public Health, DOI: 10.1080/17441692.2021.1874470](https://jubilee.worldsecuresystems.com/_literature_167253/The_World_Bank's_Response_to_Covid-19; Williams, O, Yung, K & Grépin, K. (2021) The failure of private health services: COVID-19 induced crises in low- and middle-income country (LMIC) health systems, Global Public Health, DOI: 10.1080/17441692.2021.1874470)
- 100 Ortiz, I. and M. Cummins 'Austerity: The New Normal A Renewed Washington Consensus 2010-24' 2019 <https://policydialogue.org/files/publications/papers/Austerity-the-New-Normal-Ortiz-Cummins-6-Oct-2019.pdf>
- 101 Market-oriented reforms have been found to worsen health system access and increase neonatal mortality - Forster, T., Kentikelenis, A., Stubbs, T., & King, L. (2020). Globalization and health equity: The impact of structural adjustment programs on developing countries. Social Science & Medicine, 267, 112496. <https://doi.org/10.1016/j.socscimed.2019.112496>; Chowdhury, A.Z., Jomo, K.S. Responding to the COVID-19 Pandemic in Developing Countries: Lessons from Selected Countries of the Global South. Development 63, 162–171 (2020). <https://doi.org/10.1057/s41301-020-00256-y>
- 102 See Wemos 2021 'Risky Business: Position paper on the promotion of public-private partnerships in healthcare' [https://www.wemos.nl/wp-content/uploads/2021/03/Wemos\\_Risky-Business-Position-Paper-in-the-Promotion-of-PPPs-in-Healthcare\\_March-2021.pdf](https://www.wemos.nl/wp-content/uploads/2021/03/Wemos_Risky-Business-Position-Paper-in-the-Promotion-of-PPPs-in-Healthcare_March-2021.pdf)
- 103 Williams, O, Yung, K & Grépin, K. (2021) The failure of private health services: COVID-19 induced crises in low- and middle-income country (LMIC) health systems, Global Public Health, DOI: 10.1080/17441692.2021.1874470
- 104 Hunter, B. M. & Murray, S. F. (2019). Deconstructing the financialization of health-care. Development and Change, 50 (5), 1263–1287. <https://doi.org/10.1111/dech.12517>; Marriott, A. 'A dangerous diversion. Will the IFC's flagship health PPP bankrupt Lesotho's Ministry of Health?' Oxfam and Consumer Protection Association (Lesotho), 2014, <https://www.oxfam.org/en/research/dangerous-diversion>
- 105 See Eurodad. 'History RePPeated: How public-private partnerships are failing', 2018. <https://www.eurodad.org/historyrepeated>
- 106 See Guardian "Lesotho sacks hundreds of striking nurses as doctors warn of dire shortages" 16 March 2021, <https://www.theguardian.com/global-development/2021/mar/16/lesotho-sacks-hundreds-of-striking-nurses-as-doctors-warn-of-dire-shortages>
- 107 See Oxfam "People can't afford to pay for health care in a pandemic. Why isn't the World Bank doing more to help?" 2020. <https://views-voices.oxfam.org.uk/2020/10/people-cant-afford-to-pay-for-health-care-in-a-pandemic-why-isnt-the-world-bank-doing-more-to-help/>
- 108 See Williams, O.D. COVID-19 and Private Health: Market and Governance Failure. Development 63, 181–190 (2020). <https://doi.org/10.1057/s41301-020-00273-x>
- 109 World Bank 2020a, p.viii.
- 110 World Bank Country Partnership Framework for the Central African Republic for the period FY21-FY25. Report No. 150618-CF
- 111 World Bank Country Partnership Framework for the Republic of Congo for the period FY20-FY24 Report No. 126962-CG
- 112 World Bank Country Partnership Framework for Myanmar for the period FY20-FY23
- 113 World Bank Country Partnership Framework for the Republic of Sierra Leone for the period FY21-FY26. Report No. 148025-SL
- 114 World Bank Country Partnership Framework for the Republic of Senegal for the period FY20-FY24. Report No. 143333-SN, p.27
- 115 World Bank Country Partnership Framework for the People's Republic of China for

- the period FY2020–2025. Report No. 117875–CN, p.44
- 116 World Bank Country Partnership Framework for the Republic of Kazakhstan for the period FY20–FY25. P.87.
- 117 World Bank Country Partnership Framework for the United Mexican States for the period FY2020–FY2025. Report No. 137429–MX
- 118 World Bank Country Partnership Framework for the Republic of Rwanda for the period FY21–FY26. Report No. 148876–RW
- 119 World Bank Country Partnership Framework for the Federal Republic of Nigeria for the period FY21–FY25. Report No. 153873–NG p.37.
- 120 World Bank Country Partnership Framework for the Democratic Republic of Timor-Leste for the period FY2020–FY2024
- 121 See <https://disclosures.ifc.org/project-detail/AS/605172/establishing-ppp-le-gal-and-institutional-framework-for-private-sector-participation-in-somalia> and <https://www.theeastafrican.co.ke/tea/business/somalia-ifc-sign-deal-3333096>. This builds on World Bank engagement in Somalia which indicates plans to promote public private partnerships in education and mobilise private sector actors in the health sector, see <http://pubdocs.worldbank.org/en/791861585577851443/MPF-Project-Briefs-Jul-Dec-2019.pdf>
- 122 <https://disclosures.ifc.org/project-detail/SII/44918/blackpeak-southeast-europe-growth-equity-fund-scp>
- 123 <https://disclosures.ifc.org/project-detail/SII/44996/learn-capital-iv>
- 124 <https://disclosures.ifc.org/project-detail/SII/43267/ascent-fund-ii>
- 125 <https://disclosures.ifc.org/project-detail/SII/43117/bbi-ida-rsf>
- 126 [https://www.bmce-intl.co.uk/assets/0/BBI\\_Annual\\_report\\_and\\_audited\\_financial\\_2019.pdf](https://www.bmce-intl.co.uk/assets/0/BBI_Annual_report_and_audited_financial_2019.pdf)
- 127 <https://disclosures.ifc.org/project-detail/SII/44354/sagikor-wcs>
- 128 <https://disclosures.ifc.org/project-detail/ESRS/44341/brandix-apparel-limited>
- 129 <https://brandix.com/inspired-solutions/what-we-do/our-network>
- 130 <https://disclosures.ifc.org/project-detail/SII/43799/farpoint-indo>
- 131 <https://www.gunungsewu.com/about-us/who-we-are>
- 132 <https://disclosures.ifc.org/project-detail/SII/43521/jc-flowers-india-opportunities-fund>
- 133 <https://citywireasia.com/news/new-vulture-fund-launched-for-indian-assets/a1455850>
- 134 <https://disclosures.ifc.org/project-detail/ESRS/44585/kasada-hospitality-fund-lp>
- 135 See, for example, Oxfam, 'The IFC and Tax Havens' 2016, [https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/file\\_attachments/ifcandtaxhavensen.pdf](https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/file_attachments/ifcandtaxhavensen.pdf) and Eurodad 'Going Offshore: How development finance institutions support companies using the world's most secretive financial centres', 2014 [https://www.eurodad.org/going\\_offshore](https://www.eurodad.org/going_offshore)
- 136 Numerous concerns have been raised about Luxembourg's role in relation to international tax avoidance. For example, the European Commission has flagged that "Evidence suggests that Luxembourg's tax rules are used for aggressive tax planning" (European Commission (2020), 'Commission Staff Working Document, Country Report Luxembourg 2020, Accompanying the document Communication From The Commission To The European Parliament, The European Council, The Council, The European Central Bank And The Eurogroup, 2020 European Semester: Assessment of progress on structural reforms, prevention and correction of macroeconomic imbalances, and results of in-depth reviews under Regulation (EU) No 1176/2011', <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0515&from=EN>). Luxembourg also features in the top 10 of both the Financial Secrecy Index and the Corporate Tax Haven Index, both produced by Tax Justice Network (see Tax Justice Network (2020), 'Financial Secrecy Index - 2020 Results', <https://fsi.taxjustice.net/en/introduction/fsi-results> and Tax Justice Network (2021), 'Corporate Tax Haven Index 2021 Results', <https://cthi.taxjustice.net/cthi2021/country-list.pdf>).
- 137 Numerous concerns have been raised about Cayman Island's role in relation to international tax avoidance. For example, Cayman Islands holds the top position in Tax Justice Network's 2020 Financial Secrecy Index (Tax Justice Network (2020), 'Financial Secrecy Index - 2020 Results', <https://fsi.taxjustice.net/en/introduction/fsi-results>), and second place in Tax Justice Network's 2021 Corporate Tax Haven Index (Tax Justice Network (2021), 'Corporate Tax Haven Index 2021 Results', <https://cthi.taxjustice.net/cthi2021/country-list.pdf>).
- 138 Numerous concerns have been raised about the role of Mauritius in relation to international tax avoidance. See for example the International Consortium of Investigative Journalists (2019), 'Treasure Island: Leak Reveals How Mauritius Siphons Tax From Poor Nations to Benefit Elites', <https://www.icij.org/investigations/mauritius-leaks/treasure-island-leak-reveals-how-mauritius-siphons-tax-from-poor-nations-to-benefit-elites/>. Mauritius also holds the 15<sup>th</sup> rank in Tax Justice Network's 2021 Corporate Tax Haven Index (Tax Justice Network (2021), 'Corporate Tax Haven Index 2021 Results', <https://cthi.taxjustice.net/cthi2021/country-list.pdf>).
- 139 See for example Oxfam (2016), 'The IFC and Tax Havens', [https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/file\\_attachments/ifcandtaxhavensen.pdf](https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/file_attachments/ifcandtaxhavensen.pdf) and Eurodad (2014), 'Going Offshore: How development finance institutions support companies using the world's most secretive financial centres', [https://www.eurodad.org/going\\_offshore](https://www.eurodad.org/going_offshore)
- 140 Jomo, K.S., Chowdhury, A. COVID-19 Pandemic Recession and Recovery. *Development* 63, 226–237 (2020). <https://doi.org/10.1057/s41301-020-00262-0>
- 141 Kozul-Wright, R. Recovering Better from COVID-19 Will Need a Rethink of Multilateralism. *Development* 63, 157–161 (2020). <https://doi.org/10.1057/s41301-020-00264-y>
- 142 See Caio and Craviotto. Time for action: How private sector instruments are undermining aid budgets. Eurodad. 2021 [https://www.eurodad.org/time\\_for\\_action](https://www.eurodad.org/time_for_action)
- 143 UNCTAD, 'World Investment Report 2015: Reforming international investment governance', June 2015, [https://unctad.org/system/files/official-document/wir2015\\_en.pdf](https://unctad.org/system/files/official-document/wir2015_en.pdf), p. 201
- 144 High-level Panel on International Financial Accountability, Integrity and Transparency for Achieving the 2030 Agenda (the FACTI Panel) (2021), 'Financial Integrity for Sustainable Development', [https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/602e91032a209d0601ed4a2c\\_FACTI\\_Panel\\_Report.pdf](https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/602e91032a209d0601ed4a2c_FACTI_Panel_Report.pdf)
- 145 Jomo, K.S., Chowdhury, A. COVID-19 Pandemic Recession and Recovery. *Development* 63, 226–237 (2020). <https://doi.org/10.1057/s41301-020-00262-0>; Eurodad "The G20 Debt Service Suspension Initiative: Draining out the Titanic with a bucket?" [https://www.eurodad.org/g20\\_dssi\\_shadow\\_report](https://www.eurodad.org/g20_dssi_shadow_report)
- 146 See Eurodad "The G20 Debt Service Suspension Initiative: Draining out the Titanic with a bucket?" 2020. [https://www.eurodad.org/g20\\_dssi\\_shadow\\_report](https://www.eurodad.org/g20_dssi_shadow_report)
- 147 See here for more on this and recommendations see <https://www.imf.org/external/pubs/ft/fandd/2020/08/debt-relief-for-the-poorest-kevin-watkins.htm>
- 148 See World Bank 2020a, p. 28.
- 149 Hunter, B. M., & Murray, S. F. (2019). Deconstructing the financialization of health-care. *Development and Change*, 50 (5), 1263–1287. <https://doi.org/10.1111/dech.12517>
- 150 See [https://www.ifc.org/wps/wcm/connect/CORP\\_EXT\\_Content/IFC\\_External\\_Corporate\\_Site/About+IFC\\_New/](https://www.ifc.org/wps/wcm/connect/CORP_EXT_Content/IFC_External_Corporate_Site/About+IFC_New/)
- 151 See Oxfam Report "False Promises: How delivering education through public-private partnerships risks fueling inequality instead of achieving quality education for all." 2019. <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/620720/bp-world-bank-education-ppps-090419-en.pdf>
- 152 Kentikelenis, A.E.; Gabor, D.; Ortiz, I.; Stubbs, T.; McKee, M.; Stuckler, D., 'Softening the blow of the pandemic: will the International Monetary Fund and World Bank make things worse?' *Lancet Global Health*, 8(6). e758–e759, 2020.



## Acknowledgements

---

This briefing was written by Kate Bayliss, Research Associate at SOAS University of London, and María José Romero, Eurodad Policy and Advocacy Manager and PhD candidate in Development Economics, SOAS University of London.

Special thanks go to Farwa Sial, Chiara Mariotti, Daniel Munevar, Tove Maria Ryding and Jean Saldanha from Eurodad, who provided invaluable comments for the development of this briefing.

Copyediting: Julia Ravenscroft

## Contact

---

Eurodad  
Rue d'Edimbourg 18-26  
1050 Brussels Belgium  
+32 (0) 2 894 4640  
assistant@eurodad.org  
**www.eurodad.org**

This publication has been produced with co-funding from the European Union, Norad and the Open Society Foundations. Its contents are the sole responsibility of Eurodad and do not necessarily reflect the views of the funders.



**Norad**