Civil Society calls for rethink of World Bank's Evolution Roadmap as part of wider reforms to highly unequal global financial architecture

CSO joint paper

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This civil society briefing - published in response to the World Bank's public consultation on the 'Evolution Roadmap' and endorsed by 74 organisations and indidivuals (see pp. 9-10) - calls for a World Bank Group roadmap that prioritises people, participation and the planet over profit and economic growth. It provides an alternative analysis of the current 'crisis of development' which the Evolution Roadmap seeks to respond to; presents key evidence on the damaging effects of the ´Cascade´ approach to date; and proposes an alternative pathway towards a more equitable and sustainable World Bank Group 'evolution', which would reverse the flow of the Cascade, putting public interest – including grassroots voices, and economic, social, women's, girls' and human rights – at the centre of the public development paradigm for the 21st century, rather than the profits of corporations and private finance.

I. Introduction: An incomplete reform agenda - assessing the limitations of the World Bank Evolution Roadmap proposals

The World Bank's Evolution Roadmap paper prepared for the World Bank's Development Committee in April 2023 contains a number of pillars on which it envisions that a renewed and expanded mission of the World Bank Group (WBG) will be built. According to the Roadmap, the Bank's focus "will continue to be on poverty reduction and shared prosperity, while also addressing the interlinkages with global challenges, such as climate change, pandemic risks, and FCV [fragility, conflict and violence]," and on "fostering sustainable, resilient, and inclusive development." To this end, it notes, "WBG global priority programs will be developed, and enhancements to concessionality and allocation mechanisms will be considered to connect country programs to actions that deliver global public goods." It points out that an enhanced emphasis on sustainability, "reflects the need to ensure that WBG impact is positive including in fiscal, economic, social, and environmental terms."

However, we argue that the World Bank's efforts to eradicate extreme poverty and promote shared prosperity in a more inclusive way are undermined by the Roadmap's incomplete analysis of the current 'crisis of development' it seeks to address, which ignores the role of the highly inequitable global financial architecture in causing this crisis and the Bank's role within it (see Section II). The Roadmap's deeply-held commitment to deepening the 'Cascade' approach, which has failed to provide the 'trillions' in development finance promised, risks further deepening these existing structural inequalities (see Section III). In fact, the Evolution Roadmap's dominant focus is evidently on financial innovations via further expansion of the Cascade approach[1], rather than addressing the chronic need for governance reform at the World Bank, or evaluating the

1. In this briefing, the Cascade approach is used interchangeably with aliases, including 'Billions to Trillions', Maximising Finance for Development, and the Green, Inclusive and Resilient Development (GRID) approach, as they are all variances of the same way of conceptualising development interventions. The World Bank's 2016 *Forward Look* document explained that "to maximise the impact of scarce public resources, the cascade first seeks to mobilise commercial finance, enabled by upstream reforms where necessary to address market failures and other constraints to private sector investment at the country and sector level. Where risks remain high, the priority will be to apply guarantees and risk-sharing instruments. Only where market solutions are not possible through sector reform and risk mitigation would official and public resources be applied [emphasis added]."

extent to which the Bank's policy prescriptions for developing countries over recent decades – which heavily promoted 'private sector solutionism' as an engine of economic growth and development – have been successful in assisting countries to achieve sustainable economic transformation.

The Evolution Roadmap also reveals that balance sheet optimisation (BSO) proposals (i.e. efforts to leverage the World Bank's existing capital in order to expand its lending) will have limited impact, particularly in providing the types of financing which are most needed to address the current crisis, namely additional concessional and grant financing. The Roadmap acknowledges this, albeit with an emphasis on using such financing to further the ambitions of the Cascade, noting that "none of the proposed [BSO] measures would be an additional source of concessionality, which is particularly needed to incentivize response to the many GPG [global public good] elements of the current global challenges and to scale up blended finance for the private sector." While we agree that additional sources of concessional financing are urgently needed, we feel strongly that this must be accompanied by a rethink of the World Bank's Cascade approach, for the reasons we discuss in Section III.

At a time when international debt workout processes – currently under the aegis of the completely inadequate G20 Common Framework – remain slow-moving and fraught with complications, the World Bank's approach of providing "net positive flows", with the priority of retaining its AAA rating and preferred creditor status, risks the Bank holding a greater proportion of developing countries' unsustainable debt loads. The Bank is also providing primarily debt-based climate finance in the form of loans, contributing to a vicious cycle where climate vulnerable countries take on additional debts to confront a climate crisis they did little to cause. The refusal of the World Bank to even consider the possibility of providing debt relief (from debt rescheduling to write-offs) coupled with an increasing portion of lower income countries' debt being owed to multilateral institutions, including the Bank, can only end in a cul-de-sac, when, as happened in 2005, multilateral debt relief will be not only unavoidable, but also too little, too late. ***This points to much more substantial reforms to the World Bank being required in order to deliver on its proposed new mission - as part of broader changes to the international financial architecture (see Section IV).***

II. Evolution Roadmap omits an analysis of the World Bank's role in inequitable global financial architecture

The World Bank's expanded mission includes a new emphasis on 'sustainability', which "reflects the need to ensure that WBG impact is positive including in fiscal, economic, social, and environmental terms." However, the Bank's analysis regarding what the Roadmap calls the current "crisis of development" is woefully incomplete, which in turn means that its proposals for reform are insufficient, and in fact risk further exacerbating the unequal global power relations that are at the core of this crisis.

The Evolution Roadmap's key error of omission is the absence of any discussion or acknowledgement about the unequal international financial architecture and global trade regime, which structurally disadvantages and penalises low- and middle-income countries, many of whom remain locked in cycles of unsustainable external debt, commodity dependence, and disproportionate effects from exogenous economic shocks, such as the monetary policy of Global North central banks. As argued by Professor CP Chandrasekhar, from Jawaharlal Nehru University (New Delhi), regarding the Roadmap: "After noting that even the twin goals 'are increasingly out of reach', the World Bank partly absolves itself of any responsibility for that failure. In its view, it has in the past 'adapted to change', responding 'with speed, scale and impact to individual crises' and to global challenges. The assessment seems to be that the problem is external....In the process [the Bank] chooses to ignore much cited evidence of not just its own failure but of its complicity in driving failure."

Indeed, ***the Bank's promotion of 'Washington Consensus' policies during the 1980s and 1990s, and continued promotion of privatisation and private finance interests in the intervening years, helped to create the conditions for the current crisis of development,*** including by:

- Contributing to the reduction of state capacity and legitimacy through enforced privatisation and slashing of state budgets, including essential public services and subsidies;
- contributing to corporate concentration in key sectors, including in global agriculture and other commodities;
- promoting trade liberalisation and commodity dependence, undermining key domestic industries to diversify local economies and exposing countries to costly Investor-State Dispute Settlement (ISDS) claims, in the process undermining their policy space and democratic governance more generally;
- promoting fossil fuels as an engine of growth and development, even after the Paris Agreement was signed, in normative and legal misalignment with global climate goals;
- and the promotion of 'business friendly' reforms – including through the now-discontinued *Doing Business Report* and

development policy financing – that erode labour rights and incentivise a race to the bottom on corporate taxation and other regulatory frameworks that undermine the Bank's stated efforts to help clients improve domestic resource mobilisation.

The World Bank's Cascade paradigm, launched in 2017, emphasises incentivising the private sector into development whenever feasible, doubling down on the same "private-sector solutionism" that has proved ineffective in stimulating much-needed "economic transformation" in developing countries.

Overall, the market-based approach inherent in the development paradigms promoted by the Bank has systematically constrained Global South states of their Right to Development, such as the ability to use industrial policy measures that were essential to the success of countries in the Global North. It has eroded the social contract of the state to fulfil the human rights of citizens, contributing to growing corporate capture, authoritarianism, fragility and closing civic space in many states and regions. It has had a particularly negative impact on women and girls, with the elimination of state services and the fragmentation of public social safety nets, significantly increasing women's unpaid care work, poverty levels and indebtedness, as women act as involuntary shock absorbers for the Bank's neoliberal policy prescriptions.

While the Roadmap bemoans the fact that, "Years of development gains have come under threat due to the unprecedented impact of the multiple, overlapping crises since 2020", the uncomfortable truth for the Bank is that – at the global level – progress on poverty reduction in recent decades has been achieved to a large extent in countries that avoided the economic "shock therapy" promoted by the World Bank and its sister institution, the IMF, including China and other East Asian nations who have achieved industrialisation. As David Oks and Henry Williams observe, writing in *American Affairs*, "China's gains have contributed about 45 percent of the total reduction in the 'extreme poverty' metric since 1981." Paradoxically, in a number of other developing countries and regions, trends toward industrialisation have in fact gone in reverse since the 1970s, and have been replaced with increased commodity dependence, weaker production structures and insertion into low value added and labour extensive nodes of global value chains, exposing countries to volatile boom and bust cycles.

Moreover, for the first time in 25 years, extreme wealth and extreme poverty have sharply increased at the same time. Globally and within countries, we are seeing rising incomes of billionaires and corporations. Wealth and income are increasingly being concentrated at the top. Oxfam's latest analysis of 95 food and energy companies found that they made an eye watering $306 billion just in windfall profits, while billionaire fortunes have increased by $2.7 billion per day. The evidence is incontrovertible that high and persistent levels of inequality undermine all the economic, social and environmental goals the World Bank Group is trying to address. Inequality also drives weaknesses in institutions and governance that in turn undermine the prospect of successfully implementing reforms. Without concrete action in every nation to reduce inequality, eliminating poverty and achieving wellbeing whilst living within the boundaries of the climate will be impossible. The Evolution Roadmap fails to understand this.

The reasons for the diminished role of the Bretton Woods Institutions in the global financial safety net must also be considered. As Mona Ali, from State University of New York (New Paltz), notes, "Standing at about $14 trillion in 2021, foreign exchange reserves far outweigh other forms of protection. Emerging markets and developing economies hold three-fifth of the world's foreign exchange reserves: more than $7 trillion." As Jamie Martin, from Harvard University, argues, the use of foreign reserves as a crisis buffer in many countries, particularly in Asia, was a direct response to the extreme economic and financial shock therapy that characterised IMF conditionality following the Asian financial crisis, where deep restructuring was required to secure IMF loan programmes, often in tandem with World Bank lending.

Despite the Bank's rhetorical abandonment of the term 'structural adjustment', the World Bank's 2021 *Development Policy Financing Retrospective* made clear the extent to which such policies still form the bedrock of World Bank conditionality. It shows that Bank financing that accompanies IMF loan programmes continues to be conditioned on austerity measures, such as public wage bill cuts or freezes, privatisation of state-owned assets and other measures that privilege short-term debt 'sustainability' over longer-term economic transformation.

Worryingly, the Roadmap communicates an unwillingness of shareholders and senior management to revisit the starting assumptions of existing policy prescriptions. A credible effort to 'evolve' the World Bank must seek to radically re-evaluate its policy paradigm, which has yielded deeply unsustainable economic, fiscal, social and environmental impacts for many Global South states. ***In fact, we argue that the 'flow' of the Cascade must be inverted, placing public interest, democratic governance, and a community-led, rights-based approach to development at the centre of the World Bank's approach to country engagement, including through the development of a WBG human rights policy.*** This must be accompanied by an overhaul of the WBG governance structure, where developing countries currently participate in key WBG decision-making processes on unequal footing with their Global North peers.

III. Questioning the evidence of the Cascade's efficacy

The Evolution Roadmap doubles down on efforts to incentivise private finance into development efforts in spite of substantial evidence that this approach is unsuitable for many types of projects, sectors and countries – especially with regard to the types of development initiatives which would benefit 'the poorest'. The Roadmap notes:

> The One-WBG and Cascade approach reflects the strength of the [World Bank] Group. It brings solutions to clients that optimize the comparative advantages of the public and private sectors and informs WBG programming to use WBG instruments in a coordinated manner to leverage private capital and enterprise and maximize the WBG's impact.

It is clear from both the Roadmap document as well as recent discussions with World Bank staff and leadership at the 2023 Spring Meetings that this includes a potentially expanded role for the International Finance Corporation (IFC; the Bank's private investment arm) and the Multilateral Investment Guarantee Agency (MIGA; the Bank's foreign direct investment insurance arm) in de-risking private sector investments in developing countries, as well as renewed efforts to 'create markets' and build 'investable project pipelines'. The Roadmap notes:

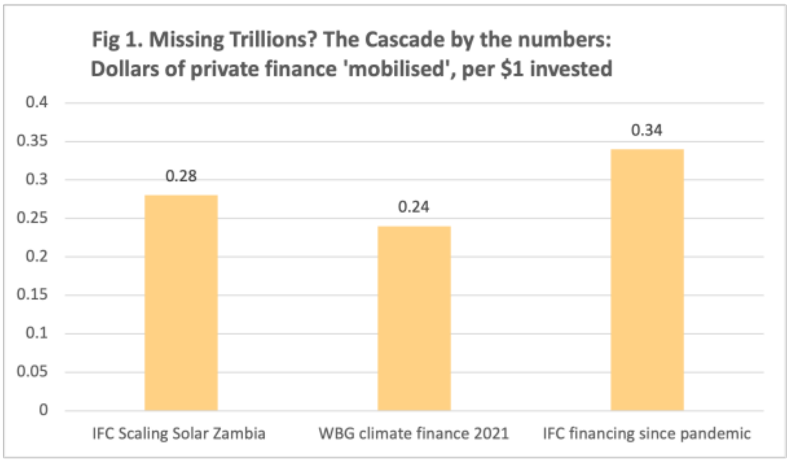
> To further increase the scale of impact under the enhanced mission, the WBG will invest more in upstream analytical work and support to the business enabling environment; make the Cascade concept central to the country engagement cycle to inform diagnostics, country dialogue and programming; further develop joint programs to maximize the One-WBG approach; institutionalize joint WBG program pipeline reviews within countries; and revise instruments and approaches across institutions to scale up PCF [private capital formation].

We argue that the Roadmap's push to reinvigorate the Cascade approach represents part of the larger political project that Professor Daniela Gabor (University of the West of England Bristol) has referred to as the 'Wall Street (Climate) Consensus', which reshapes the role of the developing states as de-risking agents for private capital, with international financial institutions helping to facilitate this process. This paradigm risks greatly deepening existing inequalities within and between states, and its promotion within mooted World Bank reforms reflects in part the failure of the Bank's wealthy shareholders to help ensure a more equitable multilateral system that is truly fit for purpose to meet the challenges of the 21st century. The Cascade approach is a continuation of the dangerous delusion that we can solve current global problems without mobilising new and additional sources of international public financing at scale. Rather than 'evolution', the promotion of the Cascade represents the reaffirmation by World Bank management and shareholders of a flawed development paradigm that assumes incentivising private finance is inherently benign and productive, while failing to acknowledge that the type of projects designed to attract profit-seeking private investors and generate quick returns might not match the public interest and national or local priorities, or support sustainable economic transformation.

Public-private partnership (PPP) contractual provisions produced by the World Bank for the G20 illustrate how efforts to de-risk private sector investments result in favouring private interests to the prejudice of public entities that are ostensibly the beneficiaries of the projects and services being contracted for. Restriction of the state's right to regulate in the public interest for environmental, climate change, human rights or other aims calls into question the development value of private investments. It's also significant to note that the World Bank's Cascade approach has failed to deliver its stated goals (see Fig 1). The inadequacy of private sector mobilisation so far points towards the unavoidable truth that the scale of financing needed is not being delivered. Moreover, there is resounding evidence on the negative impact of PPPs across the world, starting from the problematic experience in developed countries. Private sector involvement in public services and infrastructure projects is an expensive and risky option for the public sector and citizens, leading to a steady drain of resources from developing countries – an issue that has been highlighted in IMF research.

Key concerns include:

- Return-seeking capital is fundamentally risk averse, leading to a blended finance model that enables investors to syphon rents from the state through socialisation of risks or losses – to be covered either by governments or MDBs – and privatisation of profits;
- Blended finance exacerbates debt crises given the fact that both IFI-based and private financing are disbursed as debt-creating loans, even when concessional;
- World Bank reform is then reduced and distorted to its reorientation as an enabler of new investment frontiers for the private sector;
- This implies a deepening of South-to-North extraction, of both corporate profits and resources, rather than a path to structural transformation and dynamic social and economic progress for developing countries.



Sources: WBG climate finance; Scaling Solar; IFC since pandemic: WBG Evolution Roadmap.

The Evolution Roadmap, as currently constituted, will deepen the negative impacts of the Cascade's focus on leveraging private finance. The Roadmap's faith in developed countries' financial markets as the primary driver for mobilising private capital is presented in a simplified manner without attention to the mechanisms and risks of this process. The World Bank's role in securitisation, or the transformation of loans into tradable securities to attract institutional investors, is contingent on the countries' willingness to de-risk such investments. Public infrastructure and services are often the vehicles through which such de-risking happens. This in effect transforms public goods and services into asset classes linked to financial market volatility, debt-creation and austerity measures, which culminate as profit sources to investors while excluding many people through unequal access, affordability and distribution. Such encroachment of private finance has been a subject of concern for the UN, which recently described financialisation as antithetical to human rights.

Box 1: Debunking the Cascade's myths: Why a private finance-led approach won't deliver rights-based development

Beyond the Evolution Roadmap, there is ever-growing support for increasing the private sector's involvement in development finance, generally, and to support climate action, in particular. This is despite clear evidence that blended finance initiatives and other attempts to mobilise private finance have had very limited success to date. It is key to debunk four myths that underpin attempts to put private finance in the driver's seat of development and climate action:

1. **Myth 1: There isn't enough public finance to solve global challenges:** Back in the 1970s, rich countries committed to allocating 0.7 per cent of their GNI to ODA. Yet most rich countries have failed to deliver on this commitment. Oxfam estimates that this has cost low- and middle-income countries $6.5 trillion in undelivered aid between 1970 and 2021. Moreover, in 2009, developed countries agreed to mobilise $100 billion in new and additional resources a year by 2020 for developing countries' climate change adaptation and mitigation efforts. This deadline was then extended, with a view to setting a new global climate finance goal by 2025. Furthermore, tax-related illicit financial flows cost countries hundreds of billions of dollars in lost tax income every year. Additionally, the South has transferred an estimated $4.2 trillion in interest payments to North-based creditors since 1982, far outstripping any calculation of aid/concessional lending during the same period.

2. **Myth 2: The Cascade approach is more cost effective than public investment, creating fiscal space:** In reality, the Cascade approach – which requires projects to be designed in a way that protects private sector profits margins – can create significant contingent liabilities, co-financing or tax deregulation costs for governments, while passing on higher costs of privatised services to citizens. This is evident in the case of PPPs, where the fiscal risks can be sizable.

3. **Myth 3: The Cascade is needed for global climate action:** The Cascade's emphasis on using private finance for climate action – which seeks to minimise the need for rich countries to pay their fair share in public financing for climate action – is an abdication of the climate justice imperative. Climate finance norms agreed in hard-fought UNFCCC negotiations hold that climate finance should reflect the principles of common but differentiated responsibilities, the 'polluter pays' principle, and be reparative considering the asymmetrical responsibility for historical carbon emissions. An over-reliance

on deregulated private-sector solutions risks deepening the vicious cycle of debt and loss and damage that many climate vulnerable countries find themselves in.

4. **Myth 4: The Cascade is the most politically achievable route out of the current global polycrisis:** In an environment of shrinking official development aid, mobilising private finance for climate and development aims is being promoted as a key route out of the current crisis. This ignores not only the growing debt crises across the developing world, but also the fact that creating an enabling environment for private investment involves a 'de-risking state' approach across the Global South that risks shifting costs to citizens and State in order to insure against losses for investors. In a context where 85 per cent of the world's population is already living under austerity in 2023, and in which there is a growing number of protests due to the cost of living crisis, a consensus to design projects to ensure returns for private investors could very easily exacerbate political instability.

Finally, an emphasis on domestic resource mobilisation in developing countries is counterproductive without sufficient progressivity, as it assumes increased financial burdens on the poorest in society through taxation that is often regressive, and ignores the pressure on states to co-finance, and thereby de-risk investors through the public purse. The irony is that developing countries with limited resources are being asked to deepen domestic resource mobilisation to then funnel these resources to foreign investors. This not only reorients the social contract between states and citizens, it amounts to developing states being governed by investor needs.

The continued promotion of and belief in the WBG's Cascade agenda, promoted by G7 shareholders, may well further undermine the credibility of the Bank, in the context of an increasingly fragmented multilateralism. It also presents an opportunity cost, given the shrinking window with which to address the climate crisis and to mitigate the possibility of increased fragility in the face of the current crisis of development.

III. Re-routing the Roadmap: Public financing and reform of unequal international financial architecture are essential for achieving global public goods

Building a credible multilateralism in the 21st century requires the current system to 'evolve' from its neo-colonial roots. This will require essential reforms in key areas, including:

- **A new development paradigm that puts people and communities in the driving seat of their own development pathways and priorities,** and is centred on states' obligations to citizens' economic, social and human rights;
- **an independent debt work-out mechanism based at the UN,** and a multilateral initiative to free developing countries from unsustainable debt (in many cases carried over from the colonial period) giving them the fiscal space to pursue climate and development goals;
- **a UN tax convention,** in order to rebuild the global tax system in a way that works for developing countries;
- **new and additional non-debt creating forms of financing at scale, including through the reform of IMF Special Drawing Rights**, to modify how they are allocated and used;
- **enabling the state to regulate private investments in development-oriented ways**, such as, joint venture arrangements with domestic business partners, transferring or sharing technology, ensuring that a certain amount of inputs are locally sourced (also known as local content requirements), requiring investors to invest a certain amount on research and development, and so on;
- allowing states in the Global South the policy and fiscal space to achieve **structural transformation through economic diversification** that shifts out of low-wage, low-value global value chains and commodity dependence;
- **redistributive macroeconomic policies,** such as progressive taxation, ending austerity and eradicating illicit financial flows particularly tax evasion and avoidance;
- **reform of trade agreements that ensure green technology transfer for a just transition in developing countries,** including through Paris Agreement-aligned intellectual property rights (IPR) flexibilities, increased policy space within trade agreements and rules and eradication of the investor-state dispute settlement (ISDS) jeopardising public interest and environmental regulations required for a just transition.

In alignment with the Santiago Declaration for Public Services launched in December 2022, we call on the World Bank to support these efforts by embracing '**public sector solutionism**', and working in a way that gives states the fiscal and policy space they need to address the challenges posed by the current crisis of development. The WBG should work to truly strengthen state capacity by providing a more holistic menu of policy options and by ensuring fiscal consolidation does not undermine the capacity of the state, in terms of the technical resources to effectively chart the path to economic transformation, including through effective regulation. This requires a wholesale 'evolution' of the policies promoted by the Bank, rather than the bloating of the same policy animal.

Ignoring the evidence on the impact of its own policy paradigm – and inflating the potential impact of the Cascade approach in solving the current crisis of development – undermines the Bank's aim to be a leading global 'knowledge broker'. While the Roadmap places a strong emphasis on analytical work, including the need to "revamp core WBG country diagnostics" and to "improve learning from projects and deploy this knowledge to improve development impact", the experience so far shows that the World Bank Group has used its knowledge production – including reports like *Doing Business* and tools like the Country Private Sector Diagnostic – to shape national policies with the aim of attracting private finance for infrastructure and service delivery projects. This has resulted in increasing deregulatory pressures that have undermined labour rights and access to universal high quality public services.

The Roadmap should be used as an opportunity to revisit the landmark 2006 report led by Angus Deaton, which found that, "Without a research-based ability to learn from its projects and policies, the Bank could not maintain its role as the world's leading development agency" – and to assess the extent to which problems identified have been rectified. The Bank also needs to use this moment to align itself more firmly with the UN system, as called for by a recent report from the UN High Level Advisory Board on Effective Multilateralism, and to move beyond a financially rooted understanding of 'poverty', while also avoiding 'mission creep'.

The World Bank's largest shareholders also have a key role to play in agreeing governance changes at the Bank that ensure that it is fit for purpose in the 21st century, including a commitment to end the gentleman's agreement and to enhance shareholding of emerging and developing economies. This should be done in tandem with addressing the inequitable quota distribution at the World Bank's sister organisation the IMF, during the 16th Review of Quotas, due to be completed by December 2023. This could form one pillar of a new pact between member states of the Bretton Woods Institutions to ensure more equitable decision-making which – together with other essential reforms outside the Bretton Woods Institutions – would be a prerequisite for any serious effort to stop the continued erosion of these institutions' credibility. We view this as a necessary precondition for any credible discussion about an evolved role for the WBG in the global financial architecture.

Key recommendations for reform, change and rethinking:

Commission an external and independent review of the World Bank Group's development effectiveness: As part of the World Bank's reform efforts, there is a need for the Roadmap to include a dedicated analysis of the development effectiveness of Bank programmes to date, including its promotion of the Cascade and PPPs, through an open process with academics, civil society organisations and grassroots organisations, particularly from the Global South. Such an assessment is crucial in order to articulate an evidence-based path towards achieving global public goods, what role the World Bank Group can play, and under what conditions.

Invert the Cascade, putting the public at the core of the World Bank's efforts to support global public goods: The World Bank's continuation of the Cascade approach is at odds with the evidence, undermining its claims to be a knowledge bank. While the private sector can and must play an important role in the economic transformation that is necessary to break cycles of indebtedness and commodity dependence, this will ultimately require governments to go beyond the 'derisking state' model required by the Cascade and play a more active role, both in allocating capital, steering industrial policy and having equity in green economic transformation. Affected communities and grassroots organisations – which are too often excluded from meaningful country-level engagements by the Bank – must be more central in decision-making processes. As a starting point, we would strongly emphasise that privatisation and blended finance approaches inherent in the World Bank's current version of the Cascade should not be used for projects that involve essential public services, including health and education. We would also strongly argue that in order for services like water and sanitation, energy and public transportation to truly serve as 'global public goods', removing the profit motive as the central driving force in the design and delivery of these will be essential, alongside a distributive priority of equity and access.

Develop and fund a human rights policy: On the 75th anniversary of the Universal Declaration of Human Rights, the World Bank Group must work consultatively – with grassroots communities who are affected by Bank activities, and their civil society allies – to develop and adopt a Human Rights policy. The Bank must also dedicate adequate funds to effectively implement the policy. The Bank's human rights policy must include the following elements:

- Recognition of the Bank's responsibilities under international human rights law and the UN system, as well as the importance of human rights to achieve the Sustainable Development Goals (SDG), especially SDG16.
- Systems to operationalise commitments of zero tolerance towards reprisals.
- Mandatory Human Rights Due Diligence that includes ex-ante assessments of the human rights impacts of loans and policy recommendations on human rights, while taking into account contextual factors related to closing civic space in countries where the World Bank Group operates.
- New 'hybrid' indicators that track states' ability to meet basic human rights, in addition to considering extreme poverty levels.
- Human rights-based accountability and remedy framework, with adequate funds and systems to provide remedy for past evidence-based harms that bank supported activities have contributed to in developing countries.

Mainstream climate justice into the Bank's operations: The Evolution Roadmap is a historic opportunity to transform the World Bank's approach to the climate emergency, but this opportunity is in grave danger of being squandered. The World Bank has financed over $16 billion for fossil fuels since the Paris Agreement. The Roadmap should be seeking to rapidly evolve the World Bank into an institution that ends all support for fossil fuels[2]. **In order for this to be done equitably, the Bank must ensure that climate justice and a focus on green economic transformation are integrated into its approach. This includes supporting publicly-owned clean energy transitions that ensure dividends for developing country governments and citizens, rather than a continued reliance on energy systems privatisation and price liberalisation,** which has a chequered record of success, and puts the energy transition in many countries at risk, including in terms of sustained popular opposition to these controversial reforms. The Bank's approach to Paris alignment must not become a vessel for a new wave of green conditionality that constricts countries' policy space, including by inducing them into a 'private sector first' approach to climate action, as implied by the Cascade. The WBG must also improve the transparency of its climate finance, by disclosing detailed assessments, including the evidence and justifications in support of its calculations for all projects which are reported to have climate finance in a way that allows for independent verification of its claims. The WBG should also create a public climate finance database to track climate finance reported at the level of individual investment activity for each Work Bank Group arm.

Mainstream a gender lens into the Bank's operations, extending the mandate of the upcoming Gender Strategy: The Bank must explore and address the gendered harms of the 'race to the bottom' created by the Cascade. Relying on private sector investment in care services and focusing programmatic efforts on micro-level 'economic empowerment' will not achieve gender equality if the public systems and services women require to free them from precarious work and unpaid and domestic responsibilities are removed or weakened under fiscal consolidation. This period of reform must include inward-looking gender impact assessments of the Bank's macroeconomic approaches in departments beyond the WBG gender team, reflecting on existing research that demonstrates the trade-offs, inequality impacts and historical failures of the Bank's market-led approach. For example, because the environmental and social safeguard framework (ESF) does not apply to lending through Development Policy Financing, the bulk of the Bank's policy lending and associated 'prior actions' are effectively 'gender blind', as gendered social impacts are not monitored. To avoid undermining even its own micro-level gender goals with gender blind macro-level policies, the Bank needs to apply a structural gender lens to such operations, as part of the Evolution Roadmap. This should form a wider macroeconomic response to the significant undone gains in gender equality throughout recent global crises.

Better metrics for measuring – and policies to tackle – inequality: The WBG cannot succeed in ending poverty by fostering inclusive development and societies, and at the same time tackling climate change, while it turns a blind eye to the scourge of economic inequality. The Shared Prosperity Goal was adopted by the Word Bank in 2013, and then adopted as one of the SDG10 indicators in 2015. Even though it was an important step attempting to address inequality by focusing on the incomes of the bottom 40 per cent, it was inadequate and it does not truly measure inequality, nor does it help member governments and the global community establish normative goals for what level of equality to aim for. It is imperative that the World Bank make the systematic reduction of inequality a core goal for the institution. Tackling inequality cannot simply be focused on raising the incomes of the bottom 40 per cent. Instead, it must be about understanding what is happening with the alarming concentrations of wealth at the top as well. To do this the WBG should develop specific metrics to measure the growth of the bottom 40 per cent compared to that of the top 10 per cent, 5 per cent and ideally the top 1 per cent. The WBG should use these new metrics and measures to advance effective mechanisms for fair redistribution of wealth and resources like progressive spending and taxation, and workers' pay and protections, as well as progressive increases in taxation of the richest corporations and individuals, and an end to tax dodging, and especially through the investment in public services that all can benefit from.

2. It must rule out support for all oil, coal and fossil gas, including co-firing of power stations, gas for hydrogen, the gasification of coal, the building of ports that facilitate the trade of liquefied natural gas, policy advice, as well as false and unfeasible "solutions" like carbon capture and storage that simply prolong the use of fossil fuels.

Signatory organisations:

1. Accountability Counsel — USA
2. ActionAid International — Global
3. AidWatch Canada — Canada
4. Arab Watch Coalition — USA & MENA
5. Asian Forum for Human Rights and Development (FORUM-ASIA) — Thailand
6. Association of Women of Southern Europe AFEM — France
7. Bank Climate Advocates — USA
8. The Blended Finance Project — Canada
9. Both ENDS — Netherlands
10. Bretton Woods Project — UK
11. CAFOD — UK
12. Center for Economic and Social Rights (CESR) — USA & Global
13. Center for International Environmental Law (CIEL) — USA
14. Centre for Human Rights and Climate Change Research — Nigeria
15. Christian Aid — Global
16. Climate and Community Project — USA
17. Climate Change Africa Opportunities — DR Congo
18. Coastal Development Partnership (CDP) — Bangladesh
19. Community Resource Centre — Thailand
20. Co-ordination Office of the Austrian Bishops' Conference for International Development and Mission (KOO) — Austria
21. Debt Justice — UK
22. Debt Justice Norway — Norway
23. Ekumenická akademie (Ecumenical Academy) — Czech Republic
24. European Network on Debt and Development (Eurodad) — Belgium
25. Feminist Action Nexus for Economic and Climate Justice — Global
26. Friends of the Earth US — USA
27. Friends with Environment on Development (FED) — Uganda
28. Fundación Ambiente y Recursos Naturales (FARN) — Argentina
29. Gender Action — Global
30. Green Advocates International — Liberia
31. IBON International — Global South
32. The Institute for Economic Justice — South Africa
33. International Accountability Project — Global
34. International Trade Union Confederation — International
35. Inter Pares — Canada
36. Jamaa Resource Initiatives — Kenya
37. Jubilee Australia Research Centre — Australia
38. Lumière Synergie pour le Développement — Senegal
39. Malala Fund — UK
40. Maryknoll Office for Global Concerns — USA
41. Narasha Community Development Group — Kenya
42. NGO Forum on ADB — Asia
43. Observatori del Deute en la Globalització (ODG) — Spain

44. Oil Change International — International
45. Oxfam — Global
46. Protection International Mesoamérica — Central America
47. The Reality of Aid Network — Global
48. Recourse — Netherlands
49. Red Latinoamericana por Justicia Económica y Social (Latindadd) — Latin America
50. Right to Education Initiative — Global
51. Rural Area Development Programme (RADP) — Nepal
52. Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI) — Uganda
53. Sustentarse — Chile
54. Third World Network — Global
55. Urgewald — Germany
56. Wellbeing Economy Alliance (WEAll) — Global
57. Wemos — Netherlands
58. Witness Radio — Uganda
59. Women Coalition for Agenda 2030 — Cameroun
60. Women's Earth and Climate Action Network (WECAN) — International
61. Women's Environment and Development Organization (WEDO) — Global
62. World Economy, Ecology & Development - WEED e.V. — Germany

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