



CIVIL SOCIETY DECLARATION FINANCE IN COMMON SUMMIT

CAPE TOWN, SOUTH AFRICA, 26-28 FEBRUARY 2025

INTRODUCTION

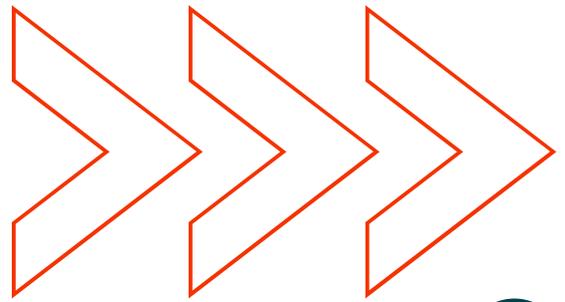
The confluence of rising inequality, debt crises, and the escalating climate emergency demands that Public Development Banks (PDBs) demonstrate genuine leadership in driving just, sustainable development. At this critical juncture, PDBs must move beyond rhetoric and commit to concrete, transformative actions, placing human rights, community leadership, and environmental sustainability at the core of all financing decisions. Civil Society Organisations (CSOs) call on PDBs to embrace this responsibility and champion a new era of development finance.

PDBs, as publicly mandated institutions, should serve people, respect planetary boundaries, and ensure long-term benefits for communities and their environments. To achieve these goals, PDBs must uphold transparency, accountability, and meaningful engagement with civil society and communities to foster shared peace, freedom, and prosperity.

While some progress has been made by the Finance in Common (FiC) to increase engagement between PDBs and CSOs and emphasise human rights-based approaches, concerned communities must play their rightful role as a driving force in addressing global challenges. Civil society and community representatives join forces at the [2025 Finance in Common Summit](#) (FiCS) **to amplify the voices of development experts in their own right: human rights defenders, Indigenous Peoples, affected local communities, and other diverse civil society groups and networks, both present at FiCS and engaging remotely, to demonstrate the importance of community-led and human rights approaches in development.**

The need for environmental and social safeguards, backed by international operational and human rights standards, is imperative. As extensions of state policy and actions, PDBs are also accountable under the Extraterritorial Human Rights Obligation principles (ETOs) as outlined in international human rights law. We urge PDBs to ensure that energy transitions and development projects are community-centred, empowering those most affected to shape their future, and context-specific, championing community-led, local solutions and needs.

CIVIL SOCIETY RECOMMENDATIONS



1

Strengthening Civic Space & PDB-CSO Engagement

Civic space continues to shrink globally, with only 40 out of 198 countries currently enjoying an open rating. The enabling environment for civil society continues to deteriorate, with restrictive legal frameworks, repression of human rights defenders, and financial constraints limiting civic engagement. While FiCS has made some progress in fostering dialogue between PDBs and CSOs, critical gaps remain. PDBs must go beyond consultation and meaningfully integrate civil society perspectives in their governance, policies, and project cycles. PDBs have a duty to facilitate inclusive, transparent, and structured engagement with CSOs and affected communities.

In this context, we demand that FiCS immediately implement its commitment to structuring a meaningful, regular, systematic, and strategic dialogue between PDBs and CSOs.

To achieve this, PDBs must:

- **Establish and launch a FiCS PDB-CSO Coalition** at a global conference between PDBs and CSOs by the end of 2025 to institutionalise engagement, share best practices, and co-create solutions.
- **Ensure formal CSO engagement mechanisms at headquarters, country, and project levels** to align investment strategies with community needs and strengthen governance, accountability, transparency, and decision-making in PDB-funded projects.
- **Develop multi-stakeholder dialogues and institutionalised CSO engagement mechanisms**, including tripartite committees or councils, ensuring structured participation at each stage of the project or investment cycle (from selection to implementation and evaluation).
- **Leverage digital technologies** to complement CSO consultations and expand citizen engagement in financial decision-making.
- **Promote and actively support an enabling environment for civil society** by systematically incorporating civic space, human rights, and gender-transformative approaches into PDBs' decision-making at local, national, regional, and global levels.
- Ensure that PDBs, their investment partners, and investees **fully respect and protect civic space**, placing the interests and needs of local communities at the centre of decision-making.
- **Support freedom of expression and assembly**, ensuring that PDBs' activities do not contribute to repression or harm to human rights defenders.
- **Establish robust accountability mechanisms** that enable community members to assert expectations, file grievances, and meaningfully engage with project details, ensuring accessible, effective remedies for those impacted.

Upholding Human Rights & Community-Led Development

Respecting, protecting, and fulfilling human rights must be a fundamental principle guiding all PDB operations. As publicly funded institutions, PDBs have a duty to ensure that their projects do not contribute to human rights violations but rather support the realisation of economic, social, and cultural rights for all. Tragically, large-scale infrastructure and development projects financed by PDBs have too often led to forced displacement, environmental degradation, and the repression of human rights defenders advocating for their communities. Stronger accountability mechanisms, greater transparency, and direct involvement of affected communities are necessary to ensure PDB investments advance sustainable, rights-based development.

PDBs must ensure that human rights are at the heart of their operations, from project conception to evaluation.

To achieve this, PDBs must:

- **Recognise and incorporate the international human rights framework** in their strategies, plans, and actions, following “do no harm” principles.
- **Ensure that Free, Prior, and Informed Consent (FPIC)** is rigorously obtained for Indigenous Peoples, marginalised groups, and affected local communities before any development projects are approved and implemented.
- **Prioritise community leadership and ownership** in decision-making processes to ensure that development projects align with local needs, respect cultural heritage, and promote long-term social and economic benefits.
- **Establish and strengthen independent grievance mechanisms** that are transparent, accessible, and free from political interference, ensuring that affected communities can seek effective redress without fear of retaliation.
- **Enforce mandatory human rights due diligence and impact assessments** at every stage of project design, implementation, and evaluation, ensuring that all investments align with international human rights standards and do not exacerbate inequalities or social harms.
- **Establish clear protocols for reporting threats and violence against human rights defenders**, and ensure that these reports are investigated promptly and impartially. PDBs must create and enforce mechanisms that allow defenders to safely report concerns.
- **Enhance financial transparency and accountability** by disclosing all PDB-supported financial flows, project risks, and mitigation plans to ensure communities can monitor and engage in the decision-making process.

Development Finance: A Call for Fundamental Reform

The current global financial architecture is failing to address the structural causes of poverty, inequality, and the climate crisis. It perpetuates a system that benefits wealthy nations at the expense of the global majority, hindering their ability to achieve sustainable development goals and respect human rights. This system is characterised by insufficient public finance, crippling debt burdens, massive tax avoidance and illicit financial flows, and neoliberal policies that prioritise profit over people and the planet. Fundamental reforms are urgently needed to create a fair and equitable global economic order. Public Development Banks (PDBs), with National Development Banks (NDBs) at their core, must play a leading role in mobilising public finance for transformative change. This requires a shift away from extractive neoliberal policies towards a renewed global financing framework that prioritises human rights, environmental sustainability, and locally led development.

To achieve this, PDBs must:

- **Champion a Renewed Global Financing Framework:** PDBs should actively support a renewed global financing framework as outlined in the Civil Society [FfD4 mechanism recommendations](#). This includes:
 - Significantly scaling up public funding for development, particularly from developed countries and those benefiting from globalisation.
 - Increasing grant-based financing to alleviate debt burdens and support public services, prioritising women, marginalised communities and civil society.
 - Reforming multilateral development banks (MDBs) to enhance financial capacity, review governance structures and mandates, and commit to locally led development.
 - Regulating blended finance to ensure sustainable impact and adherence to social and development standards.
 - Eliminating International Monetary Fund (IMF) surcharges.



- **Facilitate Debt Cancellation and Restructuring:** International PDBs must support debt cancellation and restructuring for countries with unsustainable debt burdens. PDBs should reject the Common Framework and advocate for a UN framework convention on sovereign debt to democratise the debt process. All lending policies must prioritise human rights and environmental protection.
- **Center National Development Priorities:** PDB investments must align with individual countries' development strategies. This requires:
 - Adopting a locally led development approach, reforming decision-making processes, and working directly with NDBs.
 - Aligning investments with national development plans and strategies, such as Integrated National Financing Frameworks.
 - Strengthening local capital markets and institutions by providing technical assistance and access to affordable financing for local businesses.
 - Respecting national sovereignty through local currency lending and addressing credit rating distortions.
 - Prioritising local actors to ensure investments strengthen sustainable local economic development.
 - Modelling sustainable and responsible investing practices, placing SDGs at the core of MDBs and NDBs. This includes shifting away from harmful practices like industrial agriculture, promoting care economies, supporting the transition to renewable energy, and building resilient local economies.
- **Cease Investments in For-Profit Healthcare and Education:** PDBs must immediately stop funding for-profit private healthcare and education thus driving privatisation and commercialisation of essential public goods. They should:
 - End all new funding for commercial private healthcare and education, including investments through intermediaries.
 - Launch an independent evaluation of past and current healthcare and education investments, focusing on their impact on inequality, poverty, gender, and human rights.
 - Commit to redressing any harm caused by these investments.



Climate Finance: A Call for Just Transition

Climate finance must be a tool for a just and sustainable future, not a mechanism that perpetuates inequality and environmental destruction. Public Development Banks (PDBs) have a crucial role to play in shaping climate finance flows and championing a just transition based on the principles of "polluter pays" and Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC). The current system often reinforces inequalities through debt cycles and exclusion of communities from decision-making. Fair, concessional, and equitable climate finance is essential to address the climate crisis, uplift communities, and create a pathway for justice-based development. This requires a shift away from the growth-led development model towards a sustainable and equitable socio-economic paradigm, including recognising the right to remedy and reparations for affected communities. A just transition must also provide access to electricity and resources for historically excluded communities. PDBs must establish a transformative approach to just transition with clear investment criteria and accountability mechanisms.

To achieve this, PDBs must:

- **Phase Out Fossil Fuel Projects and Exclude False Solutions:** PDBs must immediately commit to a timeline for ending all direct and indirect financing of existing and future fossil fuel projects, including fossil gas and false solutions. They should adopt a renewables-only energy taxonomy that promotes sustainable and inclusive renewable energy technologies, excluding damaging technologies and false solutions, including but not limited to large-scale hydropower, waste-to-energy, industrial biofuels, Carbon Capture, Utilisation, and Storage (CCUS), hydrogen-ready fossil gas infrastructure, and carbon markets. PDBs must support countries in developing and implementing ambitious, just and inclusive energy transition plans, phasing out fossil fuels while enhancing economic development through diverse renewable energy systems. Critically, PDBs must uphold international human rights law, ensuring their resources promote human rights and climate justice, including the right to remedy and reparations for affected communities. PDBs that have contributed to destructive energy infrastructure must support decommissioning plans in consultation with affected communities, contribute to remediation, and provide reparations.



- **Support a Just, Renewable Energy Transition:** PDBs must redirect fossil fuel finance to support a just, renewable energy transition, aligned with principles of transparency, accountability, community-led solutions, human rights, and gender equality. This includes strategic investments in care economies, recognising undervalued care work and women's role in environmental stewardship. Grant-based climate finance for renewable energy is crucial to prevent exacerbating debt burdens. PDBs should develop just transition indicators to ensure projects deliver development benefits, including for women, youth, decent work, agriculture, local businesses, health, and education. Mandatory community involvement in all project phases is essential. Finance must be accessible locally for diverse, decentralised energy systems, and for renewable energy technology and knowledge transfer. All PDB-funded projects require strengthened safeguards and social/environmental accountability, with recourse to remedy for affected communities. This includes access to effective and impartial grievance mechanisms, legal representation, and appropriate compensation for damages.
- **Support Climate Mitigation and Adaptation:** PDBs must redirect fossil fuel finance to support climate mitigation and adaptation measures in countries particularly vulnerable to escalating climate disasters, based on the principles of "polluter pays" and CBDR-RC. Clear separation of funding streams for Overseas Development Assistance (ODA) and climate mitigation/adaptation/loss and damage is essential to ensure equitable climate finance and eliminate double counting.
- **Promote Sustainable Food Systems:** PDBs must phase out finance for intensive livestock production and instead finance sustainable food systems, especially agroecological practices. All agricultural investments should support diversified, agroecological farming systems and sustainable food businesses that bolster food security, farmer livelihoods, biodiversity, health, nutrition, and ecosystem services.



This declaration **represents a unified call to action for PDBs to prioritise people, planet, and justice in all financing decisions.** We demand accountability, transparency, and meaningful partnership with communities to ensure a just and sustainable future for all.

[Sign the 2025 CSO Declaration](#)



[2023 CSO Joint Statement](#)

