**“Development Finance Institutions and Human Rights”**

**Questions**

**State duty to protect human rights**

1. What should be the role of States in ensuring international Development Finance Institutions (DFIs) respect human rights and the environment? What challenges have you observed in this regard?

States play a crucial role in ensuring that international Development Finance Institutions (DFIs) respect human rights and the environment by establishing clear legal and regulatory frameworks, monitoring their activities, and holding them accountable for their actions. However, challenges include weak governance or no governance structures in some countries, the complexity of the legal and financial environment in which DFIs operate, and the need for transparency and accountability to affected communities.

1. How do States encourage development financing activities and policies to be consistent with international human rights standards and principles and ensure that human rights risk is integrated into the due diligence processes of DFIs?
* States can establish legal and regulatory requirements that mandate DFIs to conduct human rights impact assessments and identify and address potential human rights risks associated with their operations.
* States can encourage DFIs to adopt human rights policies and guidelines, which outline human rights standards and principles that must be followed when undertaking development financing activities. DFIs can also be required to integrate human rights considerations into their due diligence processes, including conducting human rights impact assessments and engaging with affected communities.
* States can further encourage by providing guidance and support, monitoring and enforcing compliance, and encourage transparency and accountability.
1. How can States harness the potential of DFIs to accomplish important policy objectives such as achieving gender equality, protecting human rights and the environment, mitigating climate change and realising the Sustainable Development Goals? Please provide examples if possible.
* Incorporate policy objectives into DFIs' mandates, such as achieving gender equality, protecting human rights and the environment, mitigating climate change, and realizing the SDGs. For example, the Green Climate Fund provides funding for projects aimed at mitigating climate change, and the African Development Bank has a mandate to support gender equality and promote sustainable development.
* Support capacity-building and technical assistance, they can train DFIs' staff on human rights and environmental standards or provide support for gender mainstreaming.
* Encourage partnerships and collaboration. The DFIs can collaborate with civil society organizations to ensure that affected communities are consulted and engaged in development projects.
* Provide financial incentives, such as offering preferential lending rates for projects that promote gender equality or support renewable energy.
1. How can/should States engage with DFIs, private businesses, investors, civil society, rights-holders, and trade unions to prevent and address adverse human rights impacts caused by irresponsible development financing practices?

States can engage with DFIs, private businesses, investors, civil society, rights-holders, and trade unions to prevent and address adverse human rights impacts caused by irresponsible development financing practices by promoting responsible investment practices, creating spaces for engagement and dialogue, encouraging adoption of human rights due diligence processes, promoting labor standards, and facilitating the establishment of multi-stakeholder platforms. This helps to ensure that human rights considerations are integrated into development financing decision-making processes.

1. What are the specific human rights risks posed by DFIs to groups in the most vulnerable situations, such as women and girls, indigenous communities, human rights defenders, persons with disabilities, persons with different sexual orientation or gender identity, older persons, persons living in poverty or migrant workers?

DFIs can pose specific human rights risks to vulnerable groups such as women and girls, indigenous communities, human rights defenders, persons with disabilities, persons with different sexual orientation or gender identity, older peoples, people living in poverty or migrant workers. It is important for DFIs and States to conduct human rights due diligence, engage with affected communities and civil society organizations, and ensure that the potential impacts on these groups are taken into account in development financing decisions.

1. What measures should States take to ensure access to an effective remedy when DFI-supported projects are associated with adverse impacts on individuals, communities, and the environment?

States should establish legal frameworks, ensure effective oversight, foster multi-stakeholder collaboration, promote transparency and accountability, support capacity-building, and provide access to justice to ensure access to an effective remedy when DFI-supported projects are associated with adverse impacts on individuals, communities, and the environment.

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