FINANCIAL INTERMEDIARY LENDING: SUGGESTED BACKGROUND READING LIST

Blogs/op-eds:

- https://medium.com/@OxfamIFIs/a-year-after-promising-to-improve-what-has-the-ifc-done-to-clean-up-their-financial-intermediary-a8c88f09bf81
- https://www.re-course.org/news/the-seismic-shift-on-climate-finance-that-you-may-not-have-heard-about/

Former head of IFC, Philippe Le Houérou writes: “Over the past few years, civil society groups have been critical of IFC for supporting financial intermediaries that have coal exposures.... In response, we have changed our policy in the past two years to vastly reduce our direct and indirect exposure to coal in new financial intermediaries projects.”


Former head of IFC, Philippe Le Houérou announces cut in high risk FI lending: “Our staff and management make every effort to ensure that we reduce our exposure to higher risk FI activity and apply greater selectivity to these transactions. In the last fiscal year, for instance, we financed five projects that we classify as higher risk under our Sustainability Policy, compared to 18 in FY16.”

Media

- https://www.bbc.co.uk/news/world-asia-22509425
CAO audit on financial markets:

Important reading to understand the complexities and risks of FI lending and the secrecy surrounding it.

In 2013, CAO published highly critical audit of financial sector lending: “IFC knows very little about potential environmental or social impacts of its [financial market] lending.” The CAO follows it up with monitoring reports available here, which continue to note problems.

Reports:

- **Out of Sight, Out of Mind** (2010) Bretton Woods Project and Ulu Foundation analyse IFC lending through FIs, and finds causes for concern, including a lack of transparency, inadequate attention to social and environmental concerns, and a failure to link directly to proven developmental impacts. It sets out recommendations for a complete reformulation of IFC's approach.
- **Risky Business** (2012): Oxfam Highlights the risks with Financial Intermediaries (FIs) lending for communities, and the increasing trends of DFIs lending through FIs.
- **Cashing in on Climate Change** (2012) Eurodad
- **Follow the Money** (2013) Bretton Woods Project
- **Down the Rabbit Hole** (2014) Program for Social Action, India
- **The Suffering of Others** Oxfam with 11 other partners (2015): Research and evidence linking IFC through commercial banks to damaging projects where thousands of people were displaced from their homes and lands and have their livelihoods devastated
- **Owning the Outcomes** Oxfam with IDI (2016): Challenged the main assumptions and arguments that IFC put forward to avoid responsibility for these risks.
- **“Disaster for Us and the Planet”: How the IFC Is Quietly Funding a Coal Boom** (2016): Exposé of IFC links to the Asian coal boom via financial intermediaries.
- **Bankrolling India’s Dirty Dozen** (2016): Exposé of IFC links to 12 of India’s most irresponsible companies and gross human rights and environmental violations via its investments in Indian banks.
- **Reckless Development: The IFC’s Dodgy Deals in Southeast Asia** (2017): Exposé of IFC links to numerous dodgy deals in Southeast Asia via FIs, highlighting the Ban Chang coal mine in Myanmar.
- **Unjust Enrichment: How the IFC Profits from Land Grabbing in Africa** (2017) Exposé of IFC links to land grabs across Africa via FIs, highlighting the Siguri gold mine in Guinea.

• **Broken Promises: The World Bank, International Investors and the Fight for Climate Justice in the Philippines (2018):** Building on “Disaster for Us and the Planet” this piece delves into IFC’s exposure to 20 new coal plants in the Philippines.

• **Digging Deeper: Can the IFC’s Green Equity Strategy Help End Indonesia’s Dirty Coal Mines? (2019):** Profiles the Kalti Prima Coal mine in Indonesia along with IFC intermediary links to other major players in Indonesia’s coal mining industry, and analyses the proposed Green Equity Strategy through this lense.

• **IDI Database of Harmful IFC Sub-Investments:** Database of over 160 harmful projects that IFC is exposed to through its FI portfolio

• **Coming out of the Dark, BIC Europe and SOMO (2018),** looking at whether the IFC is reducing fossil fuel support through FIs

• **Open Books (2018):** Oxfam: Shows what policies and initiatives exist among DFIs and the banking sector to promote disclosure of project information and proposes a framework to improve them.

• **Coming Clean: Can the IFC help to end coal finance? (2020)** Recourse reviews IFC’s Green Equity Approach

• **Why is the EIB still hiding one third of its lending? (2021)** Recourse and Bankwatch make the case for greater transparency in EIB financial intermediary lending and compare EIB to its peers.

• **Closing loopholes: How the IFC can help end fossil fuel finance (2021)** Recourse and Trend Asia examine loopholes in the IFC’s Green Equity Approach.

• **IFC and Federal Bank case study (2021)** CFA and Recourse examine the background to IFC and Federal Bank’s relationship resulting in a commitment from Federal Bank not to fund any new coal projects.

• **Putting People and Planet at the heart of Green Equity (2021)** Recourse, HBF, CFA, Trend Asia and BankTrack look at the growing trend of public finance into ‘green’ equity.

• **10 essentials for a ‘truly green’ Green Equity Approach (2022)** Recourse, CFA, Trend Asia, CIEL, HBS Washington DC, FoE US, Oil Change International, IDI, BWP and Gender Action call on IFC to make urgent reforms to its green equity approach.