CORE FEATURES OF
A MODEL PUBLIC DEVELOPMENT BANK

MANDATE

STRATEGY

SUSTAINABILITY

GOVERNANCE

MORE

MORE

MORE

MORE
1. Strong development mandate
The mandate of PDBs should be to deliver sustainable development outcomes, in line with the agreed SDGs, avoiding vague or dual mandates. For instance, this means a focus on reducing poverty and inequalities, and encouraging domestic resource mobilisation.

2. Targeting finance where it's needed most
PDBs should target regions, sectors or clients that are most in need, or that have the highest development pay out, and not only a high level of return for the PDB. Special attention should be given to initiatives and actions that do not to reinforce gender inequalities.

3. Responsible social & environmental standards
PDBs should take responsibility for the social and environmental outcomes of all their activities, including human rights, labour rights, climate and gender impacts. The PDB should align its policies and operations with the Paris Agreement and actively contribute to the fight against climate change, for instance, by pursing a truly carbon-free strategy. The PDB should ensure that companies they work with, as clients or partners, do not avoid or evade taxes.

4. Responsible gender equality standards
The PDBs' responsibility to gender equality and women's rights should be embedded in a policy addressing gender and development. As a result, PDBs should:

- promote gender equality and women's rights, where possible
- make its programmes and projects more gender-inclusive
- avoid gender bias and minimise gender-related vulnerabilities and risks

5. Stable, long-term perspective
The focus of PDBs should be on long-term, sustainable, predictable and counter-cyclical funding to help bolster financial stability and support the sustainable transformation process of national economies.

6. Support for national strategies
PDBs should align their activities to democratically determined national plans, to ensure that they help improve the financial sector, steetng these toward a more sustainable, just and long-term path.
OPERATIONAL STRATEGY

1. Right mix of public and private funding

PDBs should receive some public funding, so they are not purely commercial institutions.

2. Careful choice of methods of investing

PDBs should invest in ways that ensure their development mandate takes precedence over generating financial returns.

3. Internal systems to focus, assess and monitor operations

PDBs should have the internal capacity to assess and systematically show the impacts of their policies and investment decisions (ex-ante and ex-post comprehensive impact assessments analysis are conducted regularly), and have effective human rights, environmental, gender-sensitive and fiscal due diligence procedures, accompanied by supervision and monitoring mechanisms.
FINANCIAL SUSTAINABILITY

1. Prioritise development outcomes
   PDBs should ensure development outcomes take precedence over profitability.

2. Reinvest any profits
   PDBs should reinvest any profits to support the development focus of their institution.

3. Take care with public grants
   Strong public accountability must be in place if PDB operations are subsidised by official development assistance beyond initial capital injections.

4. Incentivise staff to deliver for the public good
   PDBs should draw on their development focus to recruit and motivate staff, explicitly avoiding the bloated salary and bonus culture of parts of the commercial financial sector.
1. **Equal borrower representation at multilateral PDBs**

Multilateral PDBs should have a governance structure that gives, as a minimum first step, equal voting power to borrowing countries.

2. **Strong transparency policies, based on the right to information**

PDBs should have a strong and carefully implemented transparency policy based on:
- the right of access to information across stakeholders, including civil society organisations
- automatic disclosure of information with limited exceptions; the right to request information across stakeholders, including civil society organisations
- and public access to decision-making, across stakeholders including civil society organisations.

3. **Active participation of civil society and bank employees**

PDBs should have open channels for the meaningful participation of civil society groups, including trade unions, feminist and women’s rights organisations, and bank employee unions, in their decision-making processes and in project design, implementation and monitoring.

4. **Insulation from political and corporate pressure**

PDBs should have specific governance arrangements in place that protect them from undue political influence and corporate pressure that might be contrary to the bank’s mandated purpose. This should ensure that the public mission of the banks is not be diverted by both political and corporate considerations.