# Disability-inclusive international cooperation

Submission by Polly Meeks [[1]](#endnote-1) [[2]](#endnote-2)

## Overview

The main argument of this submission is that it is essential for international cooperation projects and programmes to realise the rights of persons with disabilities through a twin-track approach – but that this is not enough. It is also vital that decisions further ‘upstream’ – decisions on the overall composition of development partners’ portfolios, and on whether to apply conditions – should be based on a thorough assessment of the potential impact on the rights of persons with disabilities, and other marginalised populations. Two examples are put forward to illustrate this argument: (i) the growing investment of Official Development Assistance (ODA) in private sector instruments; and (ii) economic policy pressure associated with international financial institutions’ development cooperation. The aim of the submission is not to detract from important steps that bilateral and multilateral agencies are taking at the project and programme level, but rather to point out how progress could be amplified by a fully coherent approach that embeds the Convention on the Rights of Persons with Disabilities across all levels of international cooperation decision making.

The submission draws on research undertaken before the COVID-19 pandemic, but the findings are now more pressing than ever in view of the urgent need for public resources to ensure a disability-inclusive response to the crisis throughout the Global South.[[3]](#endnote-3)

## The growing investment of ODA in private sector instruments

For the purposes of this submission, ‘private sector instruments’ are defined as the investment of ODA funds in private sector enterprises, through loans and equity investments, as well as the use of ODA to support private sector enterprises through guarantees.

ODA investment in private sector instruments is growing fast. According to latest statistics, already in 2019, almost 3% of bilateral ODA was invested in private sector instruments.[[4]](#endnote-4) This is likely to be a significant under-estimate, as the true scale of such investment is obscured by gaps and ambiguities in current reporting rules.[[5]](#endnote-5) Over coming years, the use of private sector instruments is expected to increase substantially. A study in 2019 examined the future plans of 31 development partners. Of these 31 development partners, 13 – including many of the largest ODA providers – planned to scale up their investment in private sector instruments. Only one planned to scale it down.[[6]](#endnote-6)

The increased investment of ODA in private sector instruments has important implications for resourcing the rights of persons with disabilities, for two reasons. First, while the risk that persons with disabilities will be excluded from development interventions exists across nearly all cooperation modalities, it is arguably particularly high in the case of private sector instruments. This is because the extra costs, time, and context-sensitivity needed to create fully inclusive approaches are liable to jar with the imperative for private sector instruments to generate reasonable financial returns, often at scale.[[7]](#endnote-7) Emerging results on the new ‘disability marker’ for ODA data bear out the concern that private sector instruments may be less disability-inclusive than other forms of ODA spending. Analysis of unpublished data from five major development partners found that out of a total of 1.69 billion US dollars’ ODA invested in private sector instruments, **zero** dollars were marked as aiming to be disability inclusive.[[8]](#endnote-8) In contrast, around 10% all 2018 bilateral ODA spending by those same five development partners aimed to be disability inclusive.[[9]](#endnote-9)

Second, interventions in the social sectors have a particularly important role to play in realising the rights of persons with disabilities – from social protection that allows persons with disabilities to meet the extra costs they face, through inclusive judicial services that allow rights violations to be challenged, to well-funded and well-functioning civil society organisations that elevate marginalised voices. Yet private sector instruments have a different sectoral distribution from other forms of ODA spending: they focus more on ‘productive’ sectors such as banking and industry, and less on the social and humanitarian sectors.[[10]](#endnote-10) If overall ODA levels remain constant, this means that as investment in private sector instruments increases, so the share of ODA flowing to the social and humanitarian sectors is likely to decrease. Indeed, a recent study estimated that if current trends continue, the growing investment of ODA in private sector instruments could lead to a shift of between 1.1 billion and 6.0 billion US dollars’ ODA away from the social and humanitarian sectors.[[11]](#endnote-11),[[12]](#endnote-12)

## Economic policy pressure associated with development cooperation from international financial institutions [[13]](#endnote-13)

This section focuses primarily on one major international financial institution – the International Monetary Fund (IMF) – but many of the arguments are also relevant to other institutions such as the World Bank, as noted in the end notes.

The IMF often attaches economic policy conditions to the finance that it provides.[[14]](#endnote-14) It also exerts significant informal influence on countries’ economic policies through advisory and evaluation products which, while not formally attached to finance, still profoundly affect a country’s chances of attracting future investment.[[15]](#endnote-15)

These channels of economic policy leverage are commonly used to promote fiscal consolidation – the reduction of government deficits and debts. Research on the conditions attached to IMF loans approved in 2016 and 2017 found that, out of 26 sampled programmes, 23 were conditional on fiscal consolidation.[[16]](#endnote-16) To achieve the required reduction in deficits and debts, governments generally use some combination of cuts in public spending and subsidies, including through privatisation; and revenue raising through consumption taxes or user fees on services.[[17]](#endnote-17),[[18]](#endnote-18) For example, against a backdrop of IMF pressure for deficit reduction, the Chadian government undertook substantial budget cuts, including between 2013 and 2017 a 50% reduction in the health budget.[[19]](#endnote-19)

The UN Independent Expert on foreign debt and human rights has found that fiscal consolidation as promoted by international financial institutions can have ‘devastating consequences on human rights’.[[20]](#endnote-20) These consequences often fall ‘disproportionately’ on persons with disabilities, for several reasons.[[21]](#endnote-21), [[22]](#endnote-22) First, since services in the social sectors have a particularly important role to play in realising the rights of persons with disabilities (section [i] above), spending cuts that reduce the availability, accessibility, acceptability, adaptability or quality of these services are likely to hit persons with disabilities especially hard. For example, analysis in Argentina has shown how austerity policies linked to IMF loans jeopardised access to healthcare and social protection for persons with disabilities.[[23]](#endnote-23) Second, because the cumulative impact of inequalities and additional cost burdens means that persons with disabilities tend to be over-represented among people living in poverty,[[24]](#endnote-24) removal of government subsidies or increases in consumption taxes risk having a disproportionate impact on their ability to pay for basic necessities.

## Recommendations

This submission’s over-arching recommendation is that the rights of persons with disabilities should be embedded in **all** decisions on international cooperation – not only at project and programme level, but also further upstream. Major decisions on the allocation and qualitative characteristics of development cooperation assistance should be accompanied by a full participatory human rights impact assessment, which pays explicit attention to the rights of persons with disabilities, and whose findings are actioned.

More specifically:

* ODA should never be invested in **private sector instruments** until a human rights impact assessment has taken place. The assessment should explicitly take into account the potential implications of private sector instruments for the rights of persons with disabilities, including those set out in section (i) above.
* Development finance from international financial institutions should not be subject to formal **macroeconomic policy conditions**. Any informal macroeconomic policy recommendations made by international financial institutions through advisory or evaluation products should be subject to a full, participatory, disability-inclusive human rights impact assessment.

1. I am an independent researcher specialising in development finance and in inclusive development. I previously worked at the European Network on Debt and Development, ADD International, the UK Parliament International Development Committee, and the UK National Audit Office. [↑](#endnote-ref-1)
2. I am grateful for very helpful advice from **Gino Brunswijck**. All errors or omissions are my own. [↑](#endnote-ref-2)
3. For example, UN Special Rapporteur on the Rights of Persons with Disabilities et al, 2020, ‘Disability inclusive social protection response to COVID-19 crisis’ [↑](#endnote-ref-3)
4. Source: author’s analysis of Organisation for Economic Cooperation and Development, 2020, ‘[Aid by DAC members increases in 2019 with more aid to the poorest countries](http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2019-detailed-summary.pdf)’, Table 1. [↑](#endnote-ref-4)
5. Meeks, Gouett and Attridge, 2020, ‘[Mobilising private development finance: implications for overall aid allocations](https://eba.se/wp-content/uploads/2020/01/2020-01-Mobilising-private-development-finance-3.pdf)’, pp.75-76. [↑](#endnote-ref-5)
6. Meeks, Gouett and Attridge, as above, p.41 [↑](#endnote-ref-6)
7. Meeks, 2017, ‘[Mixed messages: the rhetoric and the reality of using blended finance to ‘leave no-one behind](https://eurodad.org/files/pdf/1546844-mixed-messages-the-rhetoric-and-the-reality-of-using-blended-finance-to-leave-no-one-behind--1511464491.pdf)’, p.9. For more on the challenges of including marginalised populations in market-based approaches, see Thorpe, Mathie and Ghore, 2017, ‘[A typology of market-based approaches to include the most marginalised](https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/12729/A%20typology%20of%20market%20based%20approaches%2019_01.pdf?sequence=632)’, pp.35-36 [↑](#endnote-ref-7)
8. Meeks, Gouett and Attridge, as above, p.55 [↑](#endnote-ref-8)
9. Source: author’s analysis of the the Organisation for Economic Cooperation and Development Creditor Reporting System database (<https://stats.oecd.org/Index.aspx?DataSetCode=CRS1>). The analysis used data on a commitments basis. It excluded administrative costs and accounting adjustments for negative commitments. Minor methodological differences between this calculation and that in the Meeks, Gouett and Attridge study are unlikely to affect the comparison materially. [↑](#endnote-ref-9)
10. This is not intended to imply that, to uphold the rights of persons with disabilities, development partners should simply redirect private sector instrument spending to the social and humanitarian sectors. On the contrary, after the additional costs of inclusion and the links between disability and poverty are taken into account, it is highly debateable whether private sector-led approaches can deliver available, accessible, acceptable, adaptable and quality social and humanitarian interventions to persons with disabilities. (For a more developed analysis on this point, see Special Rapporteur on extreme poverty and human rights, 2018, ‘[Privatisation and human rights](https://www.ohchr.org/EN/Issues/Poverty/Pages/AnnualReports.aspx)’). The intended implication is rather that the sectoral distribution of private sector instruments, and the potential implications for resourcing the CRPD, need to be assessed before ODA allocation decisions are made. [↑](#endnote-ref-10)
11. Meeks, Gouett and Attridge, as above, p.60 [↑](#endnote-ref-11)
12. It is sometimes argued that private sector instruments may also generate resources for investment in the social sectors, if the supported private sector enterprises generate more tax revenue, and this in turn is invested in social services. However, this argument relies on a series of unproven assumptions about tax structures and public spending choices, whereas the link between private sector instruments and ODA diversion **away** from the social sectors is more direct. [↑](#endnote-ref-12)
13. This section of the analysis owes much to the research of Gino Brunswijck. [↑](#endnote-ref-13)
14. Brunswijck, 2018, ‘[Unhealthy conditions: IMF loan conditionality and its impact on health financing](https://eurodad.org/files/pdf/1546978.pdf)’, p.6; see also Hopkins, 2019, ‘The World Bank and gender equality: Development Policy Financing’, p.6 [↑](#endnote-ref-14)
15. Ambrose and Archer, 2020, ‘[Who cares for the future: finance gender responsive public services!](https://actionaid.org/sites/default/files/publications/Who%20Cares%20for%20the%20future%20Full%20Report.pdf)’, p.52; see also Brunswijck, 2020, [‘Repeat prescription: the impact of the World Bank’s private sector diagnostic tools on developing countries](https://eurodad.org/files/pdf/1547159-repeat-prescription-the-impact-of-the-world-bank-s-private-sector-diagnostic-tools-on-developing-countries.pdf)’, p.19 [↑](#endnote-ref-15)
16. Brunswijck, 2018, as above, p.12. On the World Bank, see also Hopkins, 2019, as above, p.9 [↑](#endnote-ref-16)
17. Ortiz and Cummins, 2019, ‘[Austerity: the new normal. A renewed Washington Consensus 2010 – 2024](http://policydialogue.org/files/publications/papers/Austerity-the-New-Normal-Ortiz-Cummins-6-Oct-2019.pdf)’, pp. 22-25. [↑](#endnote-ref-17)
18. For more on the World Bank’s approach to privatisation, please see Brunswijck, 2020, as above. [↑](#endnote-ref-18)
19. Amnesty International, 2018, ‘[Strangled budgets, silenced dissent: the human cost of austerity measures in Chad](https://www.amnesty.org/download/Documents/AFR2082032018ENGLISH.PDF)’, p.33 and p.51 [↑](#endnote-ref-19)
20. Independent Expert on the effects of foreign debt human rights, [‘Responsibility for complicity of international financial institutions in human rights violations in the context of retrogressive economic reforms](https://undocs.org/A/74/178)’ 2019, p.12. [↑](#endnote-ref-20)
21. Office of the High Commissioner for Human Rights, 2013, ‘[Report on austerity measures and economic and social rights](https://www.ohchr.org/Documents/Issues/Development/RightsCrisis/E-2013-82_en.pdf)’, p.21 [↑](#endnote-ref-21)
22. While the risks of austerity are well documented, there is also an extensive literature that demonstrates the existence of alternatives. For example: Ortiz, Cummins and Karunanethy, 2017 [‘Fiscal space for social protection and the SDGs: options to expand social investments in 187 countries](https://www.social-protection.org/gimi/gess/RessourcePDF.action?ressource.ressourceId=51537)’. [↑](#endnote-ref-22)
23. Associación Civil por la Igualidad y la Justicia, 2019, ‘[Las personas con discapacidad no son una prioridad para el Gobierno argentino](https://acij.org.ar/las-personas-con-discapacidad-no-son-una-prioridad-para-el-gobierno-argentino/)’; and Brunswijck, Meeks and Viera, 2019, ‘[IMF is failing people with disabilities in Argentina](https://www.devex.com/news/opinion-imf-is-failing-people-with-disabilities-in-argentina-95181)’. [↑](#endnote-ref-23)
24. For example, Braithwaite and Mont, 2009, ‘[Disability and poverty: a survey of World Bank Poverty Assessments and implications](https://reader.elsevier.com/reader/sd/pii/S1875067209000261?token=05447C1CB43660032264B1D6701A28431DCB600B468A7E2CD0BE40F7CDCC952D402CBB343F827F88A08D62D4E9A60238)’, pp. 229-230; and Mitra et al, 2017, ‘[Extra costs of living with a disability: a review and agenda for research](https://reader.elsevier.com/reader/sd/pii/S193665741730078X?token=728795765DCB1DBB8B108E636CE96C40E04D9B8F47829B343A6BDE5E66791E42954CCC5C8CB5BDD086E45084CF27347D)’, p.480 [↑](#endnote-ref-24)