



SESSION NUMBER & TITLE
Parallel Session 16: Infrastructure for Inclusive and Sustainable Development: Experience of the New Development Bank, the Global South, and other Key Development Partners
SESSION TAKE AWAY
Experience from the Global South showed that infrastructure for inclusive and sustainable development calls for shared responsibilities, leveraging partnerships and cooperation across governments, private sectors and stakeholders. Sustainability and inclusivity are mutually inclusive and rightly so to create transformational, meaningful, and impactful projects for all. Likewise, evaluating infrastructure projects require a holistic approach as these projects carries social dimensions as well.
SUBTHEME
Sustainability Inclusive Development
ORGANIZATION/S
New Development Bank (NDB) International Fund for Agricultural Development (IFAD) European Bank for Reconstruction and Development (EBRD) NITI Aayog of Government of India Development Bank of Southern Africa (DBSA)
PRESENTER: Chao Sun, Senior Evaluator, NDB
The New Development Bank (NDB), formerly referred to as the BRICS Development Bank, is a multilateral development bank established by the BRICS countries (Brazil, Russia, India, China and South Africa) in 2014 during the 6 th BRICS summit. Their purpose is to mobilize resources for infrastructure and sustainable development projects for development countries and emerging economies. The bank opens in July 2015 with an initial authorized capital of \$100 billion, which is equally split among the 5 founding member countries. The capital puts NDB as the largest multilateral bank to date, yet youngest. As an international financial institution, BRICS aims to be agile and efficient, as they aim to structure, negotiate, review, and approve projects within a period of six months without compromising their quality. BRICS has a unique governance, shareholding structure, and voting power with no founding member able to veto on any matter. Sustainability is fundamental to the founding principle of NDB, hence focus is on developing sustainable infrastructures which is also a key priority for emerging economies.



As of end-July 2023, a total of 98 projects were approved amounting to \$32 billion. Over 60% of the total portfolio are investments on sustainable infrastructures including clean energy, transportation and digital infrastructure.

Since July 2015, NDB completed its 5-year strategy (2017-2021) and are now on their 2nd strategy (2022-2026) which aims to scale up development finance, making NDB a leading provider of solutions for infrastructure and sustainable development for developing countries. Over the next five years, NDB aims to provide \$30 billion worth of financing, 30% of which are for projects contributing to climate change mitigation adaptation including the energy transition. In terms of NDB's operation, NDB will take the country system as a starting point to see where weakness/es are and how they will be addressed. This is aligned with NDB's intention to establishing a relationship with the Global South. NDB hopes to enhance local frameworks implementation capacity to the long-term benefits of a country's development path. NDB will also undertake independent evaluations of the banks policies instruments, processes and operations with the aim of identifying and providing recommendations for improving the efficiency and effectiveness of the bank.

PANELIST/DISCUSSANT #1: Lungile Liberato Tom, Principal Investment Officer, Development Bank of South Africa (DBSA)

DBSA is a South African development financial institution whose mandate lies at the core of infrastructure development across South Africa and the rest of the African region. DBSA is looking at the underdevelopment of the region with a concentration on energy. DBSA is keen on driving investment and growth, particularly of the energy capacity of the country and region. While investment and growth are fundamental aspirations, DBSA also put focus on ESG matters, sustainability, inclusivity when doing projects. For instance, DBSA makes sure that their projects are impactful by designing projects which puts concrete inclusivity in the work, equity contribution. DBSA ensures that in growing the infrastructure, they are also transforming and being impactful in the South African society allowing the majority of the population, including the marginalized see the benefits.

PANELIST/DISCUSSANT #2: Sanjay Kumar, Director General, DMEQ, NITI Aayog of Government of India

DMEQ is the national monitor and evaluator for all government initiatives. DMEQ is currently tasked to do the following:

1. Output-Outcome Monitoring Framework where indicators for all governments schemes fixed in consultation with the implementing agencies to introduce/ensure a greater sense of accountability and transparency in public expenditures; DMEQ has been doing this for the last 4- 5 years; the document is then presented in the federal parliament along with the budget.
2. Data governance quality index. DMEQ works to ensure that data are good quality and that it fits into evidence-based policy making. To do so, DMEQ studied data maturity



models in 2017 and came up with a framework where ministries are asked to self-assess themselves on the parameters how to collect, validate, share data, and whether they are using the right analytical tools.

3. Evaluation of all government initiatives e.g., process, post-factor evaluation, infrastructure review to ensure that there is a framework where public expenditures are going in the right direction, and to prepare the ministries so that India can be taken to be at par with other developed countries.
4. Monitoring of India's performance in various global indices to help ministries prepare an action plan where they can reform their practices, identify any issues, so that India can improve on these indices.

PANELIST/DISCUSSANT #3: Xiaozhe Zhang, Regional Manager for Asia, South-South Triangular Cooperation, IFAD

IFAD is an international financial institution and a UN specialized agency which primarily targets and supports smallholder farmers. IFAD makes sure that these marginalized populations are able to access the infrastructures built by the likes of ADB, NDB by financing the last miles e.g., farm-to market roads as an example.

How does IFAD support infrastructures when it doesn't have much resources like the NDB and ADB—IFAD does co-financing. IFAD leverages its position as a UN agency and IFI to reach out to governments, bilateral donors and other partner agencies.

PANELIST/DISCUSSANT #4: Veronique Salze-Lozac'h, Chief Evaluator, EBRD

EBRD was created after the fall of the USSR to help some of the countries to help them transition into a market economy. EBRD does not only work in the European region but it also has presence in other parts of the world by supporting for instance projects in Mongolia, Egypt, Morocco, Sub-Saharan Africa. It's a bank that is also building on its vision to learn from each other.

On infrastructure, agrees that there is a need for sustainable and inclusive infrastructure which means its not only about building hard-core infrastructure but also supporting underserved communities which is a focus of EBRD.

On evaluation, EBRD is doing evaluations at different levels, e.g., project, cluster-project, sector evaluation. In 2021 EBRD did evaluation of infrastructure in transition countries, in 2022 cross-border connectivity cluster evaluation, and in 2023 EBRD is doing a transport sector evaluation which focuses on sustainability and private sector participation. EBRD did an interim evaluation of Green Cities Program using a mixed-method approach that includes review, data, interviews and 3 case studies. As its an interim evaluation, EBRD looked at the design, relevance and also looked at elements of local learnership that the project claimed to be doing. Findings showed that EBRD needs to provide localized interventions, there is lack of data monitoring and reporting. Benefits include networking,



demonstration effect, lots of knowledge sharing across the different cities. One challenge was that it's complex to evaluate a program when there are different layers of decision-making. In evaluating infrastructure, there is a need to have a holistic approach to make sure that we look at the intended and unintended benefits of the project and also the policy alignment.

MODERATOR: Henrique Pissaia De Souza, Principal Evaluator, EBRD

See Section on Key Takeaways.

Q&A SUMMARY

What is DBSA doing to ensure that the bank is ensuring sustainability and inclusivity in its projects? How is its work different considering it is a government bank?

DBSA: The bank has a huge responsibility for driving infrastructure development and ensuring what it can do in terms of being sustainable, making sustainable investments, and being cognizant of ESG matters and responsibility in terms of inclusivity. The ESG is easy to tick because of its standards, policies, and frameworks that one can look to for best practices to apply and assess infrastructure projects. It is subjective to the individual who is investing. The South African government has done a flagship program that started over ten years ago in addressing energy constraints, which was renewable energy procurement; it is a program that emphasizes over and above technical offering, highlighting the economic development aspects of each project in the procurement process. The socio-economic development imperatives had to be outlined, including ownership, local content, job creation, and management control, particularly in women and skills development. There was also a key focus on enterprise supplier development and other social economic development; each project had to outline its plan to achieve all these socioeconomic imperatives within the program which speaks of DBSA's mandate, projects need to be impactful and impactful to underserved population.

NITI Aayog of Government of India: In India's context, infrastructure investment has a multiplier effect of 2.5, so there is much to focus on creating infrastructure. India prepared an infrastructure pipeline where they plan to invest US trillion by 2025 over five years. Regarding inclusivity, the existing infrastructure of the federal, provincial, and city governments have been digitally mapped on a platform that helps them identify the missing links to unserved areas to plan their social infrastructure, connecting them to commercial hubs.

India has implemented several social infrastructure schemes: the Pradhan Mantri Gramsada, which connects all the rural habitations with a population of 250 and above; there's also a unified payment interface (UPI) which allows for instant payment either through the use of mobile phone or desktop; there is also housing scheme where houses have to be registered in the name of the woman of the house; the Aishwan Bharat scheme which provides health insurance coverage to every low-income family so they can get treatment of their choice of either a public or private hospital; and regional connectivity scheme where India plans to



develop 100 new airports in unserved areas across the country, of which 80 have been completed.

On evaluation, India follows the framework of assessing the impact on the marginalized and underrepresented. They also added another element—equity, to measure the inclusivity aspect. Of the evaluations completed in the last 5 years, the following were the findings: women have benefited more in income generation and health care; there's a massive push towards renewable energy sector.

EBRD: Ensure that evaluation follows a holistic approach all while looking at various issues. The importance is for what type of infrastructure to look at and to ensure that communities are heard and have a chance to speak during the process. In future, there is an opportunity to use more of the IT tools to be more efficient in the evaluations.

Did you face any of these challenges in this project you have been implementing specially in Southeast Asia, Bangladesh projects? Can you please share some of these challenges and the difficulties for monitoring and implementing both of them?

IFAD: The Project in Bangladesh was-financed by IFAD, ADB, KfW Germany, and the government. The first challenge was to harmonize and consolidate all these institutions' requirements in the project evaluation framework. There is also the dimension of earnings including the need to measure short-term impact of the project. This is not unique to IFAD but for all projects with different co-financiers. Thanks to AEW, participants are given an opportunity to learn from partners, institutions, private sector, public entities to discuss together and harmonize systems, ideas for improving evaluation work.

Are there any intentions to evaluate NDB's first strategy?

NDB (Chao Sun): Instead of doing just the evaluation for the first general strategy, NDB plans to do an evaluation of ten-year achievements which will cover both the first general strategy and the second general strategy.

Seeing the presentation, I wonder whether the bank has an ambition to invest outside of the shareholder countries?

NDB (Chao Sun): The Bank's agreement doesn't forbid it to do so but it would need some special approval review from the bank's governance mechanism, although there is already one project in Lesotho that's underway.

What are your key takeaways in taking consideration this Global South Partnerships, the unserved and the ownership of these final beneficiaries?

EBRD: There is huge benefit in the diversity of response that was floating from the sharing of knowledge. There is also a need for more coordination and collaboration among independent evaluation departments.



DBSA: South Africa and other developing countries actually have parallels in terms of what other countries within the region in terms of development focus. All aspire for sustainable development and inclusivity. How that unpacks may be slightly different, but what is important is to be intentional in terms of outlining what one wants to achieve from an inclusivity perspective, sustainability perspectives and ensuring one have outlined is adequately evaluated and monitored to ensure that the intended outcomes are achieved.

NITI Aayog: Through these discussions we realized that we all have similar if not the same issues and that we are all trying to find a solution. This session has been a good means for us to understand the views of others and what kind of different tools or strategies they are trying to use for finding solutions.

IFAD: No single one country or no single institution can achieve everything in sustainable way alone, partnerships and cooperation among developing countries in the global south are necessary to achieve a resilient future.

SESSION COORDINATOR

Araceli Knaik