

New
Development
Bank

Independent Evaluation Office

Evaluation for a Heightened NDB Impact

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30 August 2022

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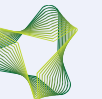
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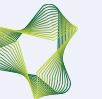
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01

NDB's Journey



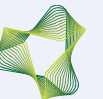
A central white circle with a blue gradient shadow contains the text 'NDB Goals'. Three dashed lines extend from the right side of the circle to three colored rounded rectangular boxes on the right.

NDB Goals


NDB was established to mobilize resources for infrastructure and sustainable development in BRICS and other developing countries.

The Bank's first five-years over 2017–2021 built an institutional profile with AA+ international credit ratings. The admission of Bangladesh, Egypt, UAE, and Uruguay signaled the Bank's expansion.

The 2022–2026 strategy aims for USD 30 billion in own financing with 30% in local currencies, 30% for non-sovereign operations, 20% in numbers with partner MDBs, 40% of approvals for climate change mitigation and adaptation, and 40% female staff by 2026.



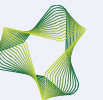
Risk, Uncertainty and Scenarios



Greater fragility puts a premium on anticipating new risks, for example, pandemics.

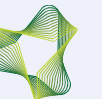
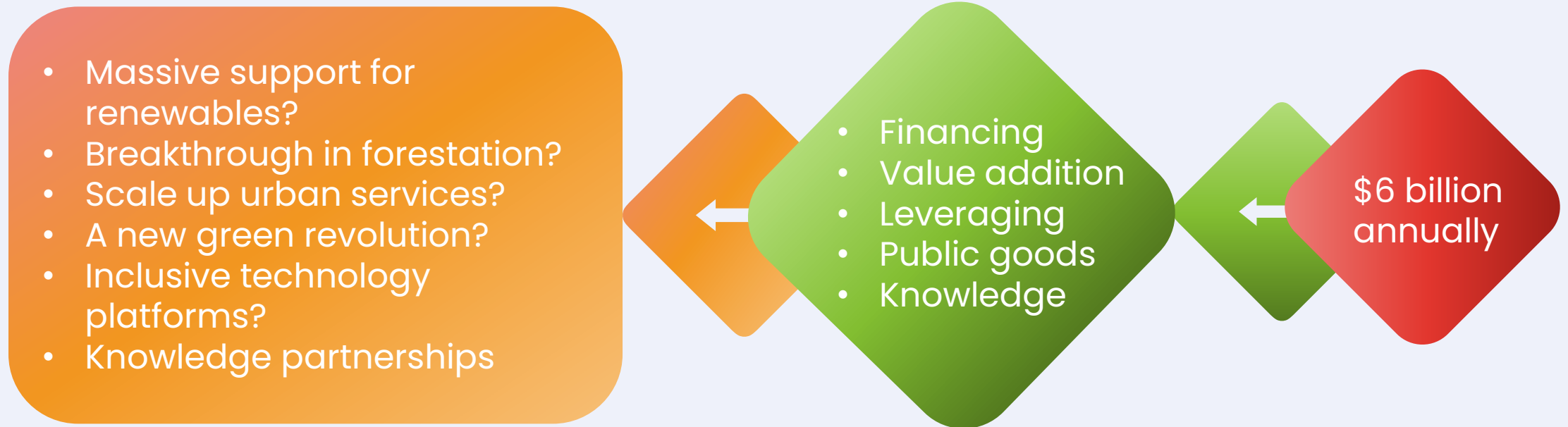
Country differences are crucial to account for, given vast differences in their vulnerability.

Evaluation must help connect the dots, for example how pandemics and climate change interact.



Opportunity and Challenge

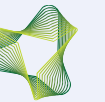
- NDB's increased lending capacity: \$30 over 5 years
- Changed global challenges: Climate change, Urban blight, Food crisis, Technology



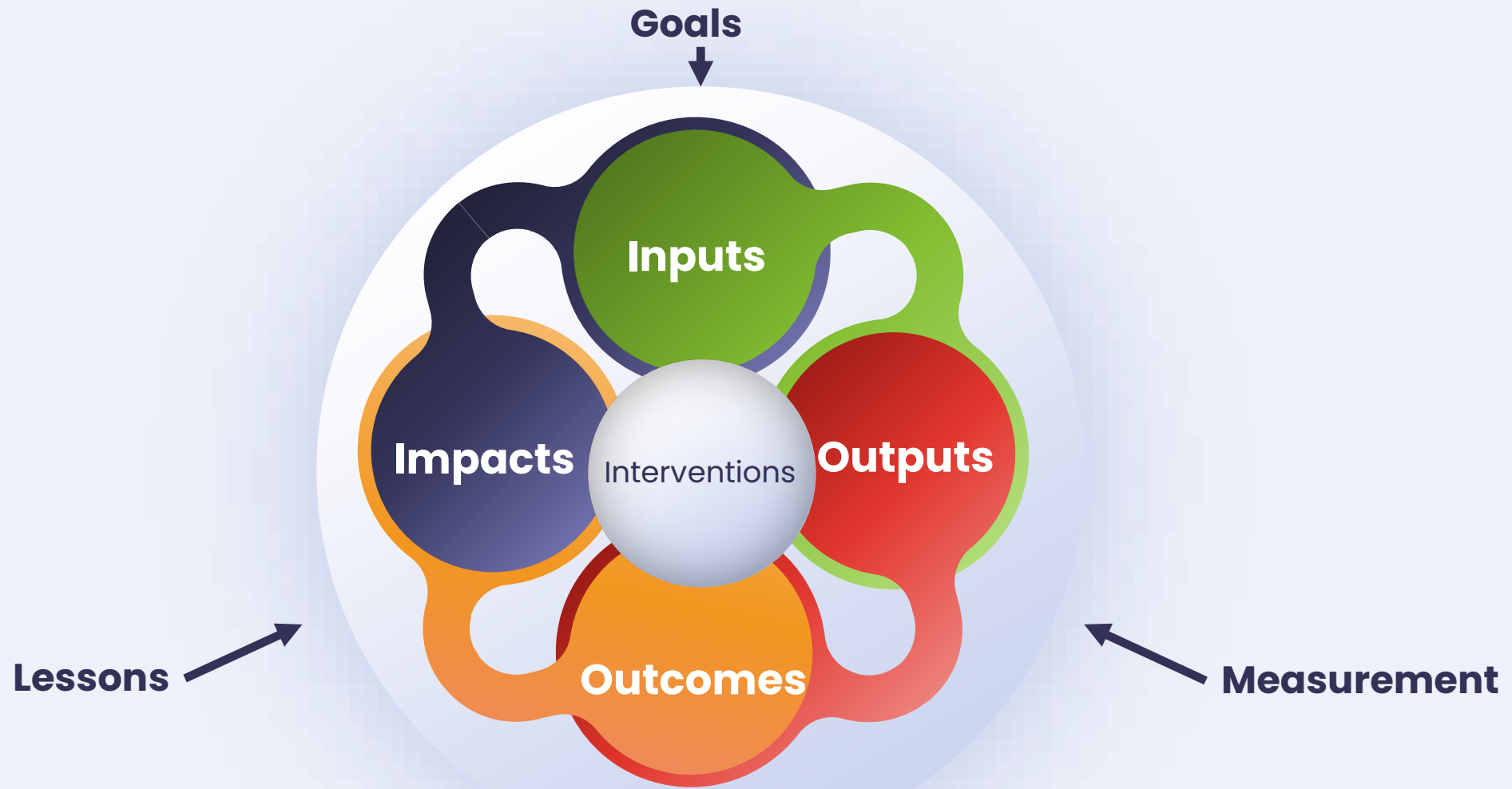


02

Independent Evaluation

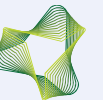


Evaluation, Quality and Impact



Source: Thomas & Luo <https://onlinelibrary.wiley.com/doi/abs/10.1111/apel.12043>;

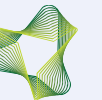
Keiko Kuji-Shikatani et al 2015, https://www.researchgate.net/publication/308388177_Launching_the_Credentialed_Evaluator_CE_Designation



Not just Doing Things Right, also Doing the Right Things

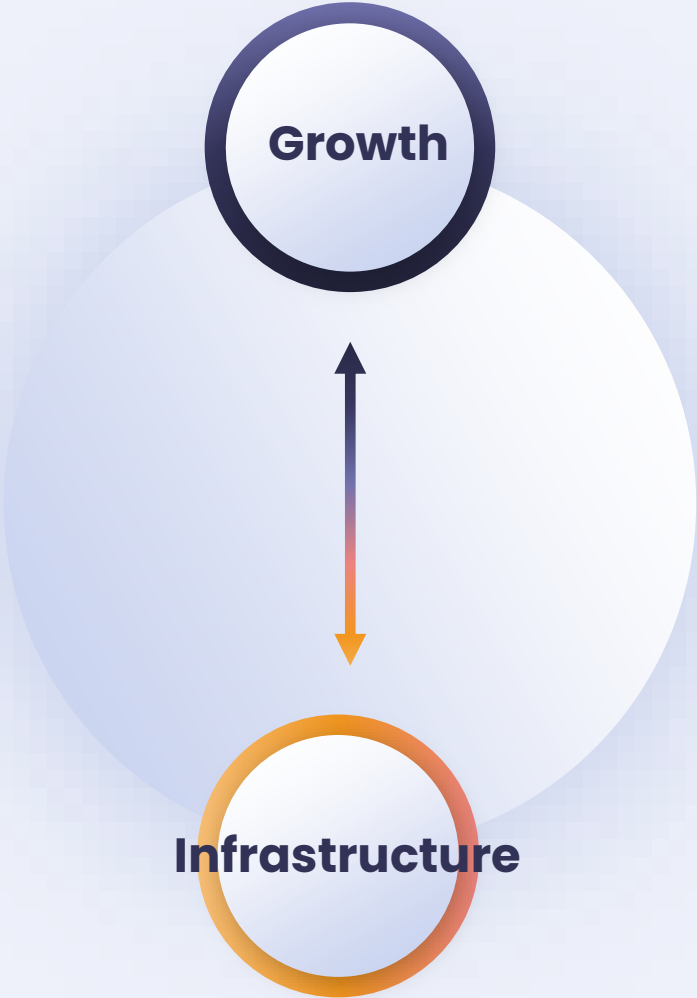


- < Relevance
- < Effectiveness
- < Efficiency
- < Sustainability
- < Impact



Case for Shifting Strategic Direction

Approach A: Single Bottom Line



Approach B: Triple Bottom Line





Three Complementary Evaluation Methods

1

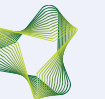
Qualitative **objectives-based** assessments of effectiveness of development projects not only are a check on accountability but also a learning lessons and a basis for policy decisions.

2

Add to this **cost benefit analysis** to assess the net benefits into the future, adding a prospective perspective.

3

Impact evaluation (not necessarily randomized controlled experiments) enables a causal analysis with counterfactuals and difference in differences. But this is retrospective.



Evaluation can Augment Quality of Lending

Direct and indirect impacts

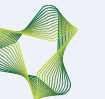
- Example: Bridge the dilemma of too much water-too little water

Global dimensions of development priorities

- Example: Transboundary effects of air pollution

Innovations in data for economic evaluation

- Example: Big data drawing on social media reactions on policy innovations



Evaluation needs to be Independent

**Organizational
Independence**

A

The Unit or Network should be led and staffed by independent evaluators.

The work program and budget should be decided independently in line with its strategic directions of the organization.

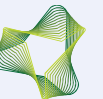
**Behavioural
Independence**

B

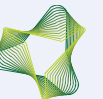
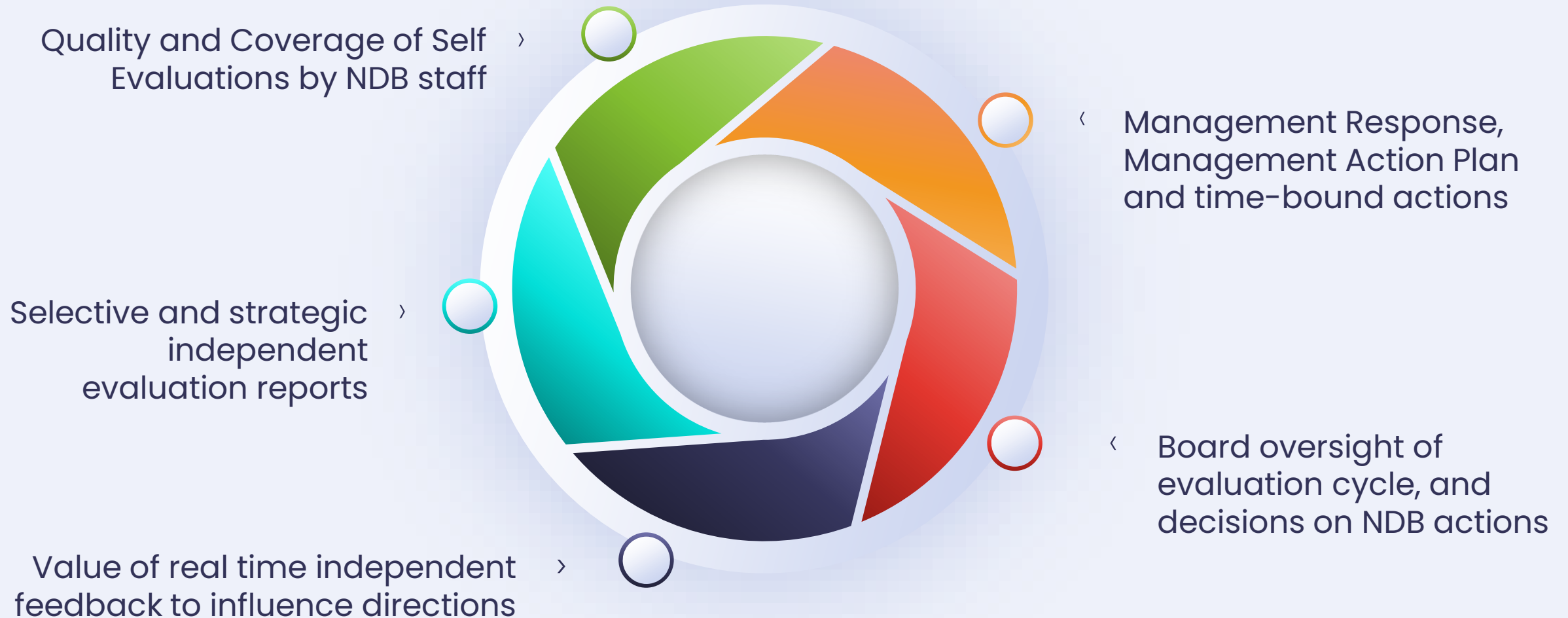
Potential conflicts of interests must be avoided.

The findings of evaluation should be transparently shared with stakeholders.

Independent



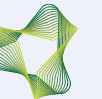
Board Oversight in the Evaluation Cycle





03

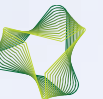
5 Global Lessons




1. On NDB's \$30 B: Scale Up or Innovate?

Considerations for "Strategy 2026"

	Benefits	Management	Examples	
TODAY	Incremental	Efficiency	Existing	MDB projects
	Sustained innovation	Effectiveness	Realignment	Emerging NDB?
TOMORROW	Disruptive innovation	Transformation	Risk-taking	Amazon, Google, Uber




2. Invest in Prevention rather than Response alone



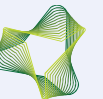
Disaster response should comprise a sizable prevention component, for example, early warning, drainage and embankments, to complement crisis management, such as relief and rebuilding.

Back to basics with re-building in agriculture with climate resilient varieties and support for food distribution systems.



Climate mitigation could be NDB's signature offering as it calls for vast resources but inadequate own financing in emerging economies.

Invest in financial resilience to strengthen financial systems in addition to diversifying financial instruments and containing risk.



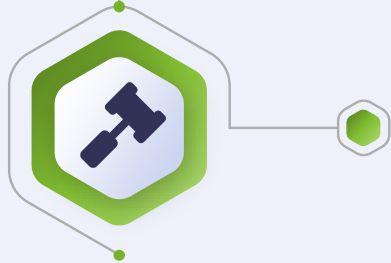
3. Get Value Addition from Safeguards



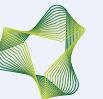
Hotspots need better safeguards: safeguard reform must make climate action central.



WBG, IaDB, EBRD have been updating their safeguard policies, but no evidence on their results even from similar directions earlier, for example, IFC's.



Environmental and social damages cannot be addressed by aspirations only and continue to need legal agreements on targets and actions by the international financier.

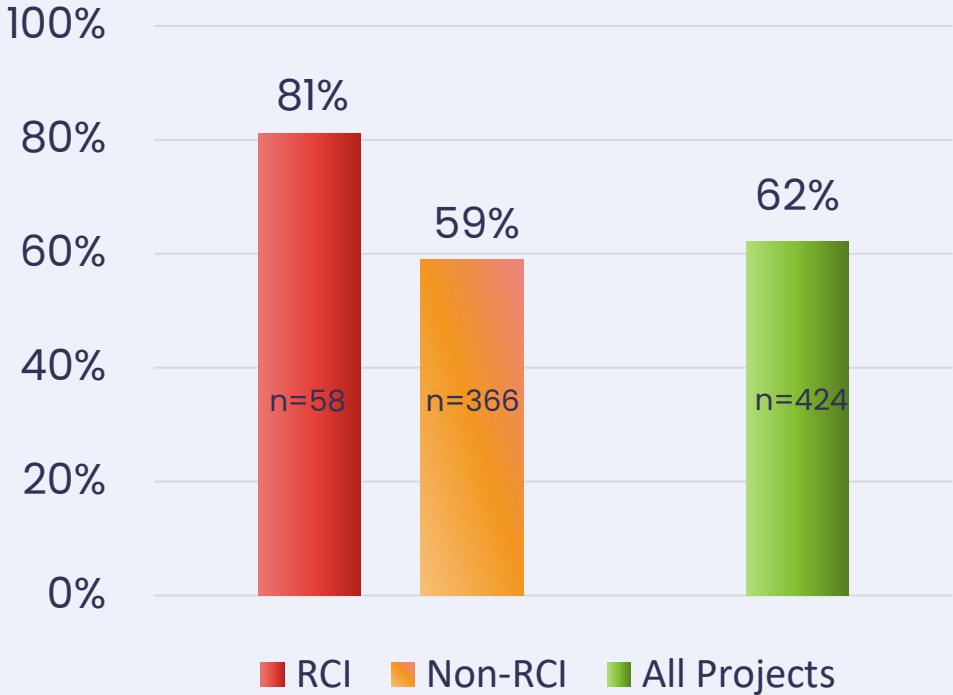


4. Partnerships Cost, but Have High Pay Offs

- Co-Financing

Projected ratings	Non-cofinanced	Cofinanced	Statistically significant difference?
Successful	65	76	Yes

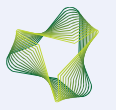
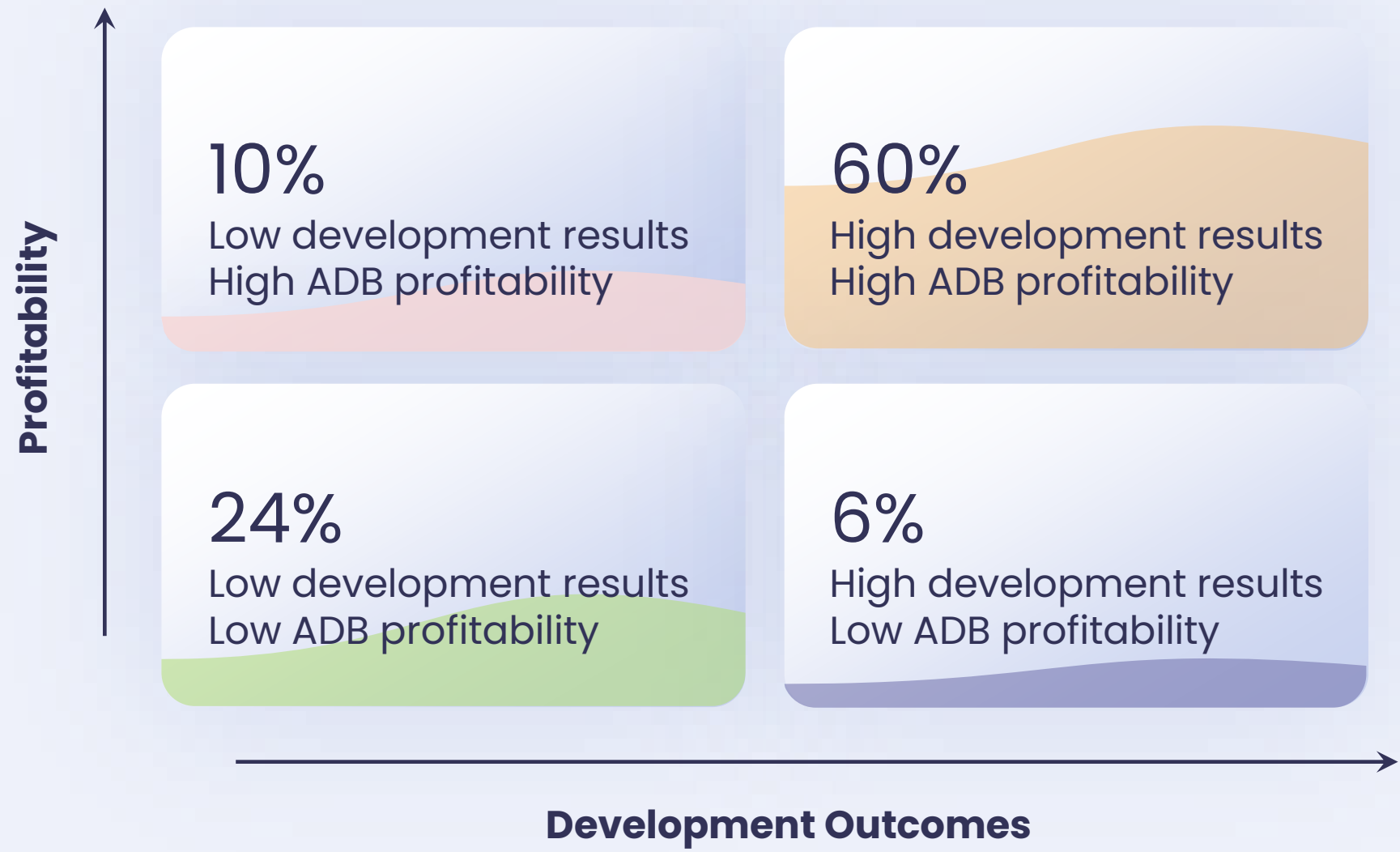
- Regional Cooperation



n=number of projects evaluated



5. Financial Returns together with Social Impact



The background features a light gray diagonal shape on the left side. Scattered around are several colored circles: a red circle in the upper left, an orange circle in the lower left, a dark blue circle in the lower center, and a small orange circle in the lower right. On the right side, there are two vertical rounded rectangular bars: a green one at the top and a teal one at the bottom.

Thank You!