

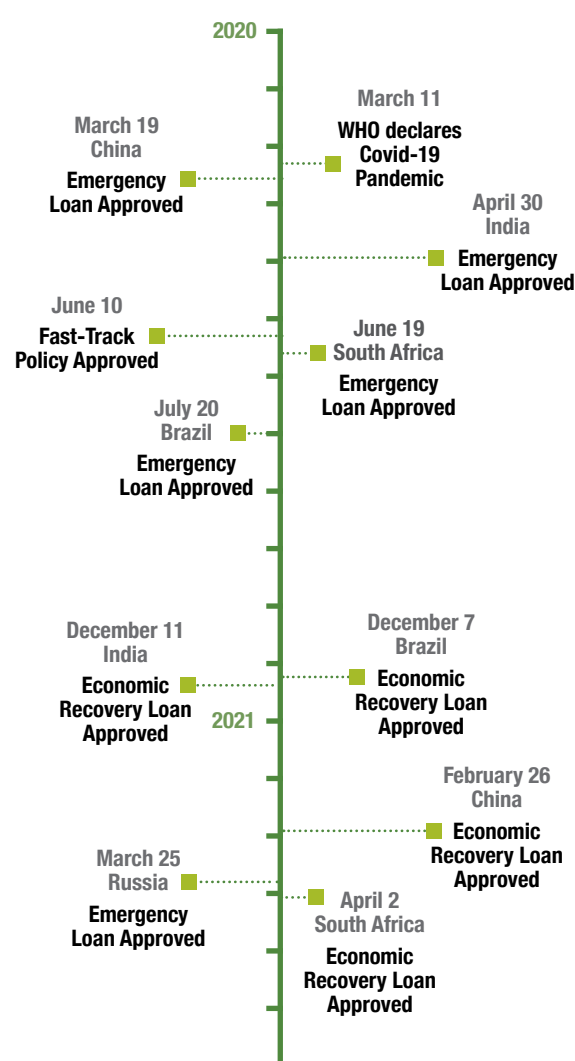
## EVALUATION OF NDB'S FAST-TRACK SUPPORT TO THE COVID-19 EMERGENCY

**BACKGROUND.** The COVID-19 pandemic was a health crisis with few precedents and resulted in significant global output losses, collapse of trade volumes, and the highest level of global unemployment in the last 30 years. The New Development Bank (NDB) was one of the first multilateral development banks to respond and mounted a significant emergency response in support of its five founding member countries. NDB was commended highly for its timely response by the leaders of BRICS. The object of the evaluation was the NDB response programme, emphasizing the Policy on Fast-Track Emergency Response to COVID-19 (Fast-Track Policy) and the subsequent COVID-19 Emergency Programme loans (CEPLs).

**CEPLS.** The Bank targeted up to USD 10 billion in crisis-related assistance, including support for economic recovery. The NDB programmes varied significantly and supported different aspects of the Governments' response programme. All but two programmes, India's and China's Emergency Response were approved under the Fast-Track Policy and the Emergency loans Response Programmes. CEPLs amounting to total of USD 9 billion were signed and disbursed. Brazil<sup>1</sup>, China, India and South Africa each received two loans of USD 1 billion each for their respective programmes. Brazil and Russia benefitted from one loan of USD 1 billion each.

**MAIN FINDINGS.** Neither the borrowing countries nor NDB were prepared to address a crisis of the magnitude, dynamics and complexity of the COVID-19 pandemic. Nevertheless, the Bank acted with great agility and speed to support the response of its member countries. The Fast-Track Policy goes beyond NDB's mandate and provisions of its General Strategy 2017-2021, but respects the main underlying principles. While the NDB did not differentiate the amount of funding provided to the five borrowing members by taking into account their specific situation related to the COVID-19 pandemic, the CEPLs were relevant to the Bank Policy and country needs and priorities.

### TIMELINE OF APPROVED PROJECTS



In all countries, CEPLs were generally signed and disbursed much faster than earlier loans. NDB also demonstrated its willingness to coordinate with development partners.

The programmes funded meet many of the “quality at entry” criteria suggested by the Fast-track Policy, but several conditions of evaluability were not met. Moreover, the implications of the total size of the

<sup>1</sup> The second loan of USD 1 billion to Brazil, approved in December 2021, was signed in October 2023.

Loan	Total Cost of Programme	NDB Loan Amount
	USD billion	USD billion (% of Total)
Brazil Emergency Assistance Programme in Combating COVID-19	29.6	1 (3.4%)
Brazil Emergency Assistance Programme for Economic Recovery	3.57	1 (28%)
Russia Emergency Assistance Programme in Combating COVID-19	3.39	1 (29.5%)
India Emergency Assistance Programme in Combating COVID-19	26	1 (3.8%)
India Emergency Programme Loan for Supporting India's Economic Recovery	5.33	1 (18.8%)
China Emergency Assistance Programme in Combating COVID-19	5.76	1 (17.4%)
China Emergency Assistance Programme in Supporting China's Economic Recovery	Agriculture Development Bank of China 0.45; Exim Bank 0.7	1 (87%)
South Africa COVID-19 Emergency Programme	3.9	1 (25.6%)
South Africa Emergency Assistance Programme in Supporting South Africa's Economic Recovery	1.30	1 (76.9%)

facility (USD 10 billion) and the long tenor of the loans for the Bank's financial sustainability were not sufficiently analysed upfront.

The evaluation assesses overall programme achievement, based on the ratings for specific evaluation criteria, as moderately satisfactory. In light of the exceptional and unprecedented nature of the crisis, the ratings could not be informed by internal or external benchmarks. The main messages of the evaluation that merit the most attention are in its recommendations.

#### THE INDEPENDENT EVALUATION OFFICE

The NDB Independent Evaluation Office was established in April 2022. The Director General of IEO reports directly and exclusively to the NDB Board of Directors. The main objective of IEO is to promote accountability and learning for enhancing the Bank's performance. IEO conducts a range of independent evaluations at different levels: evaluations of projects and programmes as well as of policies, strategies, instruments and corporate processes.

Evaluation Lens provides a short summary of evaluations conducted by IEO. The full evaluation report and related documentation may be accessed through the IEO web pages.

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## RECOMMENDATIONS

- 1. Formulate and put in place a crisis response policy** that goes well beyond the Fast-Track Policy and can be applied to help shape the Bank's response to similar future global crises.
- 2. Develop and introduce a systematic resource allocation approach and methodology** to guide the allocation of funding volumes to each of its borrowing member countries.
- 3. Develop a corporate Knowledge Management Strategy and Action Plan** consistent with the emphasis devoted in the current General Strategy to learning lessons and knowledge sharing for improved impact on the ground.
- 4. Set up an institutional arrangement to support operational teams when designing and implementing specific multi-country programmes:** provide guidance and templates specifically tailored to the programme; ensure exchange of knowledge/experience across teams; and provide for systematic bank-controlled monitoring and evaluations.
- 5. To the extent possible, ensure that key quality at entry requirements are met** for operations requiring a rapid response in the same way as for other Bank operations.