



THEMATIC
EVALUATION

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



**FULL DOCUMENT
DECEMBER, 2023**

INDEPENDENT
EVALUATION OFFICE

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PREFACE

“ This report presents the findings of the evaluation of the New Development Bank (NDB) COVID-19 pandemic response programme undertaken by the Independent Evaluation Office (IEO). The evaluation covers the Fast-Track Emergency Response to COVID-19 (hereinafter referred to as the Fast-Track Policy) and the loans provided by the Bank with emphasis on the emergency programme loans provided to the five founding NDB member countries.

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 Bank acted with great agility and speed to support the response of its member countries and was commended highly for its timely response by the leaders of the countries.

The Bank's programme comprised the Fast-Track Policy and subsequent COVID-19 Emergency Programme Loans (CEPLs). The Bank disbursed eight CEPLs, each amounting to USD 1 billion or equivalent.

The independent evaluation found that the Bank's response was very timely and highly appreciated, and its interventions were relevant to the Fast-track policy and the countries' needs and priorities. The evaluation also points to some directions for improvement. These include the formulation of a policy that can help shape the Bank's response to a wide range of significant global crises. Importantly, and going beyond crisis response, the evaluation recommends that the Bank develop and introduce a systematic resource allocation approach and methodology to guide the allocation of funding volumes to each of its borrowing member countries.



The evaluation assesses borrower performance as successful, NDB performance as moderately successful, and overall programme achievement, a consolidated evaluation criterion (informed by relevance, effectiveness, efficiency, and impact ratings) as moderately successful. It should be noted, however, that the ratings of such an exceptional emergency response were not based on initial targets and internal/external benchmarks. The main messages of the evaluation that merit the most attention are in its conclusions, lessons, and recommendations.

Addressing significant global crises such as the COVID-19 pandemic is now widely recognised as a priority for Multilateral Development Banks/International Financial Institutions, United Nations agencies, and other development partners. I trust this report is timely and will be helpful to readers seeking to understand better the support that the Bank has provided in the aftermath of the COVID-19 pandemic and actions that NDB and, potentially, other development partners can take in the event of future global crises.

Finally, I am delighted by the constructive NDB Management Response to this evaluation, included in the report. The response indicates that the Bank is already making progress along some of the directions recommended by the evaluation. I am equally delighted by the note prepared by the IEO Senior Independent Advisor (SIA), who found the evaluation to be sound and offered some of his reflections for the way forward. Both the Management Response and the SIA's note are included in this report.



A handwritten signature in black ink that reads "Ashwani K. Muthoo". The signature is written in a cursive style and is positioned above the printed name.

Ashwani K. Muthoo
Director General
Independent Evaluation Office

ACKNOWLEDGEMENTS

The Independent Evaluation Office (IEO) of the New Development Bank (NDB) would like to thank all those who have contributed to this evaluation. Specifically, IEO is thankful to the NDB President, H.E. Mrs. Dilma Roussef, for her support, as well as NDB managers and staff. IEO is particularly grateful to the operations staff, who were most forthcoming and helpful. Moreover, IEO appreciates the support, insights, and comments at different stages of the evaluation process of the members of the NDB Board Directors and their advisors.

The evaluation was conducted under the direct oversight and management of Mr. Ashwani K. Muthoo, Director General, IEO. He was ably supported by Mr. Anil Sood, Senior Development and Evaluation Specialist, and Ms. Jaqueline Rabelo Souza, Evaluation Communication and Outreach Specialist. Moreover, the evaluation has benefitted from the valuable inputs of Dr. José Graziano da Silva, who served as IEO Senior Independent Advisor for this evaluation.

ABBREVIATIONS

ADBC	Agriculture Development Bank of China
AE	Emergency Aid Programme (Brazil)
AFD	Agence Française de Développement
AfDB	African Development Bank
AsDB	Asian Development Bank
BRICS	Brazil, Russia, India, China and South Africa
BEA	Basic Emergency Assistance Programme (Brazil)
BoD	Board of Directors
CEPL	COVID-19 Emergency Programme Loan
CNY	Chinese Yuan
COVID-19	Coronavirus Disease 2019
DMF	Design and Monitoring Framework
GDP	Gross domestic product
IAs	Implementing Agencies
IaDB	Inter-American Development Bank
IEO	Independent Evaluation Office
IMF	International Monetary Fund
IsDB	Islamic Development Bank
MDB	Multilateral Development Bank
PCR	Project Completion Report
PDB	Programme Documents to the Board
PES	Presidential Employment Stimulus
RMB	Renminbi
RUB	Russian Rubles
SPRP	Strategic Preparedness and Response Programme
USD	US Dollar
WHO	World Health Organization

IV

EXECUTIVE SUMMARY

- › Context
- › Evaluation Object and Approach
- › Findings
- › Conclusions, Lessons and Recommendations



> Context

The Coronavirus Disease 2019 (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 World Bank estimated extreme poverty at about 8.5% of the world population in 2022, and there is a general perception that the pandemic has caused a worsening of inequality across and within countries. The Multilateral Development Banks (MDBs), United Nations agencies, and the International Monetary Fund (IMF) worked together to launch a coherent and coordinated response to COVID-19, scaling up existing coordination and building new relationships.

The MDBs reallocated resources and developed fast-track processes to deliver primarily quick-disbursing support to countries' national emergency response plans at an unprecedented speed and scale.

NDB was one of the first MDBs to respond and mounted a significant emergency response in support of its five founding member countries. It responded with quick-disbursing emergency loans to China and India, followed by approval of the Policy on Fast-Track Emergency Response to COVID-19 (hereinafter referred to as the Fast-Track Policy) and subsequent COVID-19 Emergency Programme Loans (CEPLs).

> Evaluation Object and Approach

The object of this evaluation is the entirety of the NDB COVID-19 response programme, including the Fast-Track Policy, with specific emphasis on the first five Emergency Programme Loans provided by the NDB to support the COVID-19 response in its founding member countries.

The Independent Evaluation Office (IEO) developed an evaluation framework with key evaluation questions and a set of assessment criteria, indicators, and

information sources as the basis for addressing each question.

The evaluation questions were formulated to provide the Bank with useful lessons and recommendations, notably regarding the relevance of the policy to the Bank Mandate and country priorities, the effectiveness of the Bank's programme, the efficiency of the Bank's interventions, and the impact of the NDB loans on the countries' capacity to respond to the emergency.

> Findings

The Bank, like the other MDBs, was not prepared to respond to the crises, particularly of the scope and magnitude of the COVID-19 pandemic. Support for an emergency assistance programme is not foreseen in either the Bank's Mandate or Strategy 2017-2021. Nevertheless, NDB was the first MDB to respond and move rapidly.

While the design of the overall concept and individual loans were in line with policy and borrower needs, the assessment of relevance is affected by a number of factors. These include the lack of consideration of a differentiated approach to funding provided to each country and the limited analysis of the impact on and attention to vulnerable groups. The **Relevance** of the

CEPLs to combat the COVID-19 pandemic is assessed as **Moderately Successful (4)**.

Based on the information provided in their final reports, the programmes supported by the Bank have been perceived as effective by the borrowing countries. IEO analysis assesses **Effectiveness as Successful (5)**.

The Bank responded expeditiously, and the Board, Management, and staff demonstrated a high degree of commitment. The efficiency assessment is affected by other factors, including limited formal guidance for staff during the project life cycle and insufficient attention to systematic knowledge sharing across NDB

design teams in different countries. The evaluation assesses **Efficiency** as **Moderately Successful (4)**.

The limited coverage of impact in the Governments' final reports, the lack of availability of several NDB project completion reports, and the challenge of attributing impact solely to the relatively small proportion of funding provided by the NDB to combat the pandemic, severely constrain IEO's ability to make a thorough and convincing assessment of the impact of the loans. While the secondary documentation and data available and reviewed note some positive impacts, the evaluation's judgement is that the **Impact** of the loans is between **Moderately Successful (4)** and **Successful (5)**.

Considering the commendable initiative by the Bank to undertake such an important programme and deliver a swift response, despite weaknesses in other dimensions of Bank performance like quality at entry,

limited attention to evaluability, and significant delays in preparing Project Completion Reports (PCRs), **NDB's performance** is assessed as **Moderately Successful (4)**.

The NDB Board of Governors and Board of Directors (BoD) consists of high-level decision-makers and representatives of the Borrowers. They exhibited active engagement and prompt support for approving the Fast-Track Policy and loans, along with an agreement to streamline certain steps in loan processing. These aspects are considered part of the Borrower's performance. All in all, therefore, IEO assesses **Borrower performance** as **Successful (5)**.

Overall programme achievement is a consolidated evaluation criterion informed by relevance, effectiveness, efficiency, and impact ratings. It provides a holistic and integrated assessment of the programme. As such, IEO assesses the programme as **Moderately Successful (4)**.

> Conclusions, Lessons and Recommendations

Neither the Bank nor the borrowing countries 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 and responded to the crisis with the required human and organisational resources.

The Fast-Track Policy goes beyond NDB's Mandate and Strategy 2017-2021 but respects the main underlying principles. The Bank interventions are relevant to the Bank Policy and the countries' needs and priorities. NDB also demonstrated its willingness to coordinate with development partners. The quality at entry of the Bank's programmes meets many of the quality criteria requested by the Fast-Track Policy. However, many conditions of evaluability were not met. There also appears to have been a lack of clarity with respect to the specific role and responsibility of regional offices following the "handover" from the headquarters-based operations team.

Addressing significant global crises such as the COVID-19 pandemic is now widely recognised as a priority for MDBs/International Financial Institutions, United Nations agencies, and other development partners.

RECOMMENDATION 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 a wide range of significant global crises.

The Bank lacks a resource allocation mechanism, a common feature in other MDBs and International Financial Institutions, which would become even more important in the context of a growing borrowing membership base and finite resource availability.

RECOMMENDATION 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, building on good practices in other organisations and taking closely into account its own development context and financial model.

Improved capacity to accumulate knowledge based on its own experience and that of comparable institutions and to share it within the Bank and with its member countries would improve the relevance and effectiveness of its response to future crises and significantly increase the credibility and influence of the Bank vis-a-vis its member countries and as a member of the "Multilateral System" in crises contexts.

RECOMMENDATION 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.

An institutional set-up to provide guidance and support to Bank operational teams and facilitate learning/exchange across teams can enhance the effectiveness of the Bank's response during crisis situations and in other multi-country programmes.

RECOMMENDATION 4: Set up an institutional arrangement to support operational teams preparing operations when implementing specific multi-country programmes, such as that for COVID-19 response; provide guidance and templates that are specifically

tailored to the programme; and ensure exchange of knowledge/experience across teams and systematic knowledge accumulation through systematic bank-controlled monitoring and evaluations.

The need for a rapid response, such as in crisis situations, raises the likelihood of putting the quality at entry of Bank operations and of the related monitoring and reporting processes and products at risk, jeopardising the capacity of the Bank to learn from and report on its crisis-related operations.

RECOMMENDATION 5: Ensure that all quality at entry requirements are met for operations requiring rapid response in the same way as for other Bank operations.



NDB MANAGEMENT RESPONSE



> NDB Management Response

The evaluation report is insightful and provides relevant information that helps NDB to further enhance its work. The Bank always aims to improve, taking good lessons from its projects and good practices from peer MDBs while also keeping its unique features and competitiveness that make us different and allow us to provide additional value to our member countries and clients.

It is worth emphasising that NDB was the very first Multilateral Development Bank (MDB) to initiate, dialogue, design, and provide true emergency assistance to the people in need in our member countries in early 2020. Equally important is to remember that NDB's first emergency assistance was prepared and delivered at a time when our staff were under very tough work conditions due to the COVID-19 impact. However, we delivered the emergency assistance timely and effectively. It has an important symbolic message that NDB stands ready to help its member countries in very difficult times. NDB's first emergency assistance also helped other MDBs when they designed similar COVID-19 emergency assistance to help their member countries.

In line with the report, the Management recognises that the Bank could have benefited from a more structured process for determining the terms and lending volumes of NDB's response to COVID-19, particularly considering the different natures of the emergency assistance and economic recovery programmes. In that sense, the Management agrees that a resource allocation mechanism, through a detailed lending programming process is needed, particularly in the context of a growing borrowing membership base.

At the same time, the report would have benefitted if the following aspects were taken into account:

- Better understanding of the design of the NDB

COVID-19 facility. NDB member countries were aware of the traditional approaches of other MDBs in terms of structuring such financing, and their request to NDB was to provide a product that would be different from what they would get from other sources. In particular, NDB's support was sought to be more adapted to the initial phase of the pandemic and hence prioritise (1) the time of availability of NDB resources and (2) flexibility of their use over all other aspects. Given this, a straight comparison of the NDB COVID-19 facility with facilities of other MDBs would be an oversimplification of the evaluation.

- Capital adequacy levels, liquidity levels, leverage ratio levels, single country exposure limit, utilisation, etc., influence the terms of financing offered by MDBs to clients. e.g., NDB's leverage ratio as of the end of December 31, 2019, was less than 0.50 compared to the International Bank for Reconstruction and Development's leverage ratio, which was closer to 5. Such differences play a significant role in the different terms of financing offered. The terms offered by NDB were within its sovereign pricing frameworks.
- Although support for emergency assistance programmes was not explicitly specified in NDB's General Strategy: 2017-2021, the Strategy provided an adequate framework for the Bank, as a demand-driven institution, to offer rapid support to its member countries to urgently and effectively respond to crises, such as the COVID-19 pandemic and the associated adverse socio-economic consequences. Indeed, the provision of COVID-19 Emergency Programme Loans (CEPLs) by the Bank was a testament to NDB's agility and commitment to address promptly the needs of member countries, especially in times of emergency.

Recommendation 1

Formulate and put in place a crisis response policy that goes well beyond the Fast-Track Policy¹ and can be applied to help shape the Bank's response to a wide range of significant global crises. The crisis response policy should include accompanying provisions and streamlined processes to enable rapid and effective support to member countries' response to the crisis. It should provide for the deployment of the Bank's full toolkit of instruments to tailor support specifically to the country's context

and phase of the crisis. This could include, for example, quick disbursing lending for the short-term emergency response followed by investment projects in the recovery/resilience building phases to ensure consistent long-term support. The policy should cover special features such as adaptation of its instruments and related loan terms and conditions, consistent with the Bank's financial architecture, to be responsive to the member countries' needs, fiduciary requirements, and retroactive financing.

¹ The policy had a life of 24 months and thus has lapsed.

The policy should clearly specify that in crisis situations, the Bank will proactively ensure that adequate support and amounts of funding are also provided to marginalised and vulnerable communities and women in poorer regions affected by the crisis. In support of the policy, the Bank should build the required staff capacity (e.g., in health) and adapt the Bank's organisation, instruments, and procedures to enable a rapid response to crises and sustain partnerships and coordination platforms between the crises to enable rapid reactivation at times of crisis. This could include a shared crisis watch/early alert system. The policy should be prepared in the near future and presented to the Board in 2024 for approval, along with IEO written comments thereon.

Management Response

The timing of putting in place a Crisis Response Policy

needs to be evaluated, taking into consideration the Bank's balance sheet capacity. The Bank has to operate within the defined risk limit framework and also ensure that it maintains the appropriate level of capital adequacy and liquidity levels in order to maintain its high credit rating. Based on the current paid-in capital levels as well as assumptions on future growth in capital, there is a limit to the size of annual lending volumes that the Bank can support over the next few years. The current demand from clients for loans under NDB's ordinary operations is more than the annual lending volumes that the Bank can support. It is therefore proposed that crisis response policy be submitted for consideration only after evaluating the pace of membership expansion, private capital mobilisation, execution of balance sheet optimisation initiatives, and other such measures which help to increase the Bank's lending capacity.

Recommendation 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 over a period of time (e.g., over a three-year cycle), building on good practices in other organisations and taking closely into account its own development context and financial model. Such a mechanism will help improve transparency, credibility, and predictability of funding for borrowers and guide better pipeline development.

Management Response

The Management recognises that a more structured

systematic resource allocation approach and methodology is needed for determining the Bank's lending volumes, particularly in the context of a growing borrowing membership base. Although the Bank currently does not have a systematic resource allocation mechanism, Article 21 (iv) of NDB's Articles of Agreement provides that the Bank shall not allow a disproportionate amount of its resources to be used for the benefit of any member and that the Bank shall seek to maintain reasonable diversification in all of its investments. In line with the Articles and NDB's General Strategy, NDB is committed to ensuring a reasonable diversification of its operations among existing members.

Recommendation 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. Such a strategy would also help strengthen the Bank's visibility and reputation as a credible player with relevant knowledge to share over and above its funding. A more coherent Knowledge Management Strategy would also serve to inform NDB's global policy engagement, South-South cooperation, and communication activities. The need for such a strategy, along with an Action Plan, is also strongly supported by three other IEO evaluations completed in 2022-2023, where limited attention to knowledge management and learning constrained programme delivery and effectiveness. Such a corporate

strategy should, therefore, be developed and presented by NDB to the Board for approval, together with IEO's written comments thereon.

Management Response

The NDB Management believes that it is important to incorporate evidence collected from the ground, lessons from the project portfolio, and NDB's growing knowledge in our member countries' operating contexts and sectors. NDB's design of emergency assistance benefited from the knowledge of our own project experience, lessons from other MDBs' historic emergency assistances as well as our existing policy framework and mandate. This includes intense research prior to the project design on why other MDBs in history have failed to provide truly relevant

emergency assistance and what are the key factors for emergency assistance to succeed. At the outbreak of COVID-19 in 2020, given that all MDBs faced the same uncertainty of the magnitude of the negative influence of COVID-19 on economies and human beings, NDB went into its COVID-19 response with the best preparation and information available at the time. We will continue to emphasise the importance of embedding knowledge and lessons in our operations at a more systematic level. NDB's General Strategy for 2022-2026 foresees that, in addition to external sourcing of best practices and knowledge, the Bank will harvest lessons learned

from NDB's existing projects for creating a feedback loop that contributes to improvements in the Bank's operating approaches and future projects. The establishment and operationalisation of the Project Portfolio Management Desk and IEO are concrete steps toward this end. In addition, NDB Management has instructed staff to include a dedicated section on lessons learned in project documents, and this is now being consistently implemented. Instead of developing a corporate knowledge management strategy, the Bank may alternatively consider knowledge generation and dissemination in project documents.

Recommendation 4

Set up an institutional arrangement to support operational teams preparing operations when implementing specific multi-country programmes, such as that for COVID-19 response; provide guidance and templates that are specifically tailored to the programme; and ensure exchange of knowledge/experience across teams and systematic knowledge accumulation through systematic Bank-controlled monitoring and evaluations. The arrangement could take the form of an institutional "anchor"/focal point responsible for providing any required support/guidance and ensuring learning, such as by convening an inter-departmental working group.

Management Response

The NDB Management acknowledges the importance of setting up an institutional arrangement to support operations in implementing multi-country projects and programmes. This has been put in place. To support operational teams preparing operations, the Project Portfolio Management Desk has been created. The Management will continue to emphasise and strengthen the function of the project portfolio management in sharing knowledge and experiences across operations sectors and countries, contributing to project document templates, convening and facilitating cross-departmental learning, and providing other cross-country support to the operations team.

Recommendation 5

Ensure that all quality at entry requirements are met for operations requiring rapid response in the same way as for other Bank operations. This includes, inter alia, e.g., appropriate choice of loan instrument with terms and conditions tailored to the economic situation of the borrower and the Bank's financial requirements, standard fiduciary requirements, evaluability conditions, including well-founded theories of change, logframe or results frameworks including SMART objectives indicators and targets, and monitoring systems systematically presented in the Programme Documents to the Board. The Bank should also have a say on the quality of the data provided by the monitoring system, produce timely high quality IEO controlled PCRs based on clear and enforced guidelines, and carry out frequent evaluations of its interventions to address crises.

Management Response

Without undermining the general concept of quality

at entry, which remains the highest priority of NDB Management, it may not be in all cases appropriate to "ensure that all quality at entry requirements are met for operations requiring a rapid response in the same way as for other Bank operations." As the practice of the NDB COVID-19 facility has shown, NDB clients may often seek from the Bank flexible tailor-made solutions and may see value in NDB's ability to generate them rather than to follow standard, pre-set approaches. The different contexts and member countries' needs matter for NDB, and we always try our best to listen to our stakeholders and provide the most relevant product possible without compromising quality, standards, and effectiveness. Meanwhile, the Management keeps exercising caution and guiding our staff that the application of the flexible solutions should be supported with strong justifications and evidence instead of ad hoc.

1

INTRODUCTION

- › Evaluation Rationale
- › Evaluation Purpose



> Evaluation Rationale

1. The NDB's emergency response to the Coronavirus Disease 2019 (COVID-19) is the first programme the NDB implemented to support its members' response to a global crisis that impacted all of them. The Independent Evaluation Office (IEO) understands that the Bank's priority is to draw lessons from this initial experience to support its members better when addressing other crises, specifically further pandemics. In this evaluation, IEO draws lessons from the Bank's support in tackling the COVID-19 crisis. This evaluation is designed to prioritise the formative perspective over the summative one. Unlike summative evaluations, which focus on accountability, formative evaluations aim to learn lessons for future responses to comparable crises. The purpose of such evaluations is less to rate the relevance and performance of a programme based on experience and information available to the designers at the time of its formulation, and more to draw lessons useful for designing future interventions. These lessons are based on the information available to evaluators at the time they conduct their analyses.
2. As explained below: (i) fairly assessing, in a summative perspective, the effectiveness of loans providing a limited contribution to sometimes very large and diversified national programmes is always challenging and requires indirect approaches, focused on the effectiveness of the supported programmes rather than on the Bank's interventions; (ii) the Bank did not invest much to ensure the evaluability of its interventions (see Box 3); (iii) only two draft Project Completion Reports (PCRs), are available and none of them is validated by the IEO, which means that only the client's perception of the performance of the programmes is known; (iv) what we currently know about the evolution and effects of the COVID-19 crisis is very different from the knowledge available to the designers of these interventions at the beginning of 2020 on both sides (the Bank and the Borrower Governments); (v) neither the Bank nor its member countries can compare the size and complexity of the COVID-19 crisis to any similar experience. Therefore, assessing, from a summative perspective, the extent to which the effectiveness of these interventions has been "successful" seems less useful and constructive than using the most recent information available, including the experience of comparable Multilateral Development Banks (MDBs), to draw lessons that could contribute to improving the preparedness of the Bank to addressing similar challenges in the future.
3. Benchmarking, in a formative perspective, aims to draw lessons from similar programmes carried out by comparable institutions. These lessons can assist in formulating credible conclusions and convincing recommendations, even if these programmes are more recent and benefit from better information or experience than the programme under review.
4. The evaluation is important and timely, especially given the worldwide focus on crisis prevention, preparedness, and response. That is why it was included in IEO's work programme for 2023.

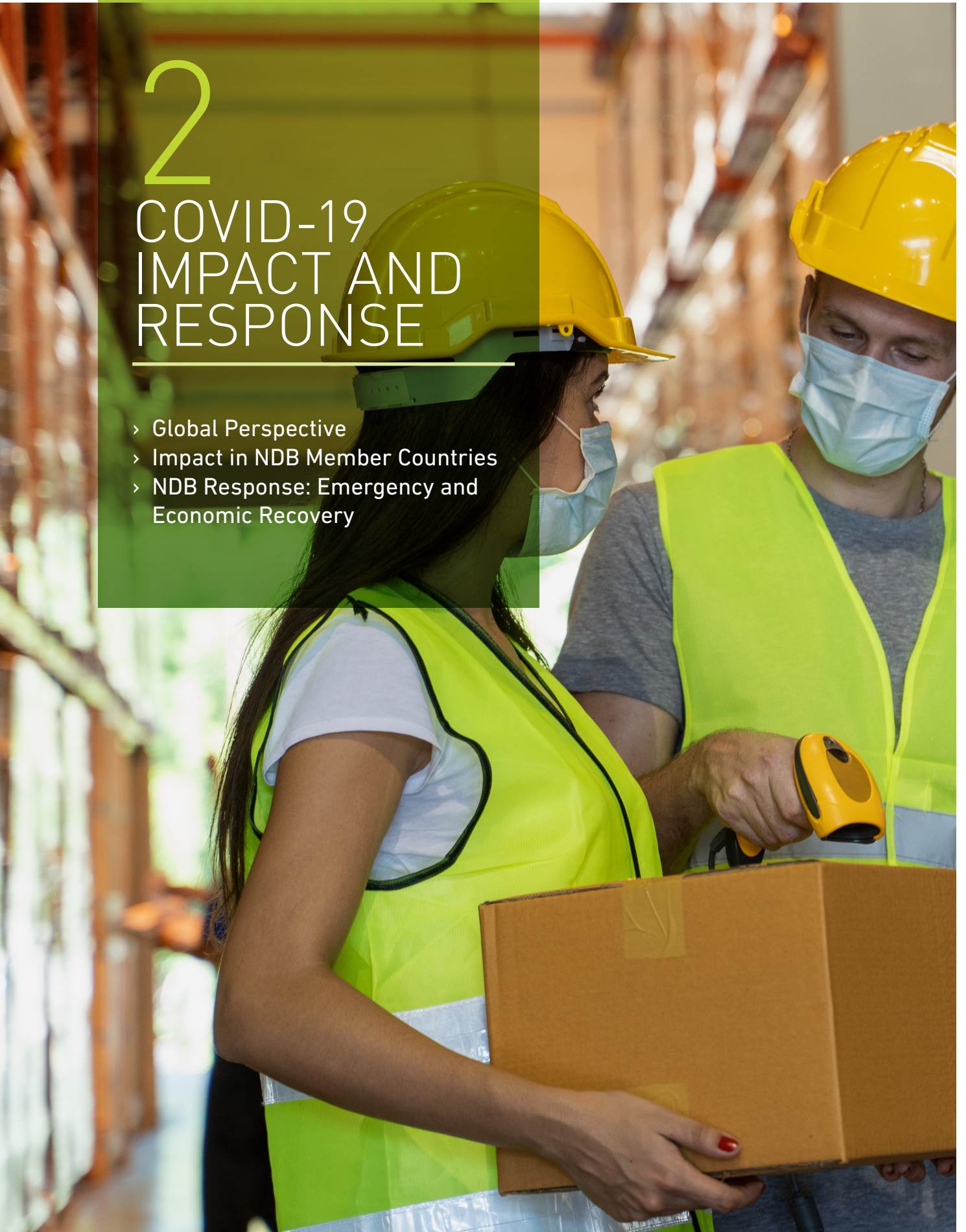
> Evaluation Purpose

5. The broad purpose of the evaluation is to assess the design, implementation, results, and impact of NDB's response to the COVID-19 emergency and provide lessons and recommendations to improve the Bank's preparedness and response to future crises.

2

COVID-19 IMPACT AND RESPONSE

- › Global Perspective
- › Impact in NDB Member Countries
- › NDB Response: Emergency and Economic Recovery

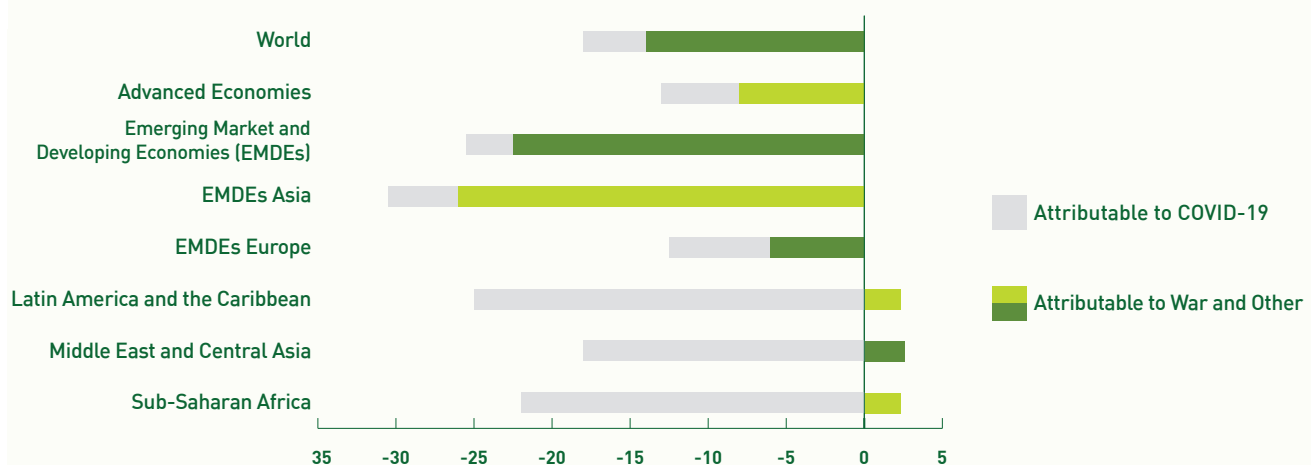


> Global Perspective

Impact of the Crisis

6. The COVID-19 pandemic was a health crisis with few precedents. Its rapid spread, the unknown nature and evolution of the virus, and the need felt by leaders to respond, led to a series of measures with severe and lasting consequences on people, economies, and future development prospects. The impact has been particularly severe on women, children, vulnerable populations, including the elderly, and workers in informal sectors. The pandemic aggravated pre-existing weaknesses of healthcare systems in many countries, resulting in declines in access and quality of care. The impact of COVID-19 contributed to a “general catastrophe” for education. United Nations Educational, Scientific and Cultural Organization (UNESCO) estimates that school children may be eight months behind where they would normally be. This marks a severe setback in progress toward Sustainable Development Goal 4. The impact extends far beyond the health and education sectors.
7. Global output losses for the period 2020-23, relative to what was projected in late 2019, are estimated to amount to USD 16 trillion at 2019 prices, or 18% of global gross domestic product (GDP), with 14 percentage points attributable to COVID-19 (see Figure 1). For emerging markets and developing economies, losses are estimated at USD 9 trillion, or 26% of 2019 GDP, of which 23 percentage points can be attributed to COVID-19. Latin America and Emerging Asia have been affected the most. Trade volumes collapsed during the height of the pandemic, declining by 8% from 2019, although they recovered subsequently.
8. Global unemployment rose to 6.5% in 2020, the highest level in the last 30 years, mostly affecting the young, women, workers with relatively lower educational attainment and the informal sector. Unemployment has declined since then to the extent that some countries are facing labour shortages. About 70 million more people fell below the threshold of extreme poverty in 2020 compared with pre-pandemic projections, to a level of 720 million, but this number then declined to 45 million. The World Bank estimated extreme poverty at about 8.5% of the world population in 2022. Despite the absence of data such as Gini coefficients, there is a general perception that the pandemic has caused a worsening of inequality across and within countries.

Figure 1: GDP cumulative loss 2020-23 (% of 2019 GDP)



Source: Centennial Group 2021

MDB Response

9. The MDBs, United Nations agencies, and the International Monetary Fund (IMF) worked together to launch a coherent and coordinated response to COVID-19, scaling up existing coordination and building new relationships. The MDBs reallocated resources and developed fast-track processes to deliver support to countries at an unprecedented speed and scale. For many MDBs, support was primarily provided through operations designed to provide quick-disbursing financing for national emergency response plans, including initiatives to address the needs of the most vulnerable and promote continued delivery of basic services.¹
10. Crisis-specific instruments were important for quick-disbursing financing, including the NDB's COVID-19 Emergency Programme Loan (CEPL), the Asian Development Bank's (AsDB) COVID-19 Pandemic Response Option, and the African Development Bank's (AfDB) Crisis Response Budget Support. This support necessitated large-scale cancellations, re-programming, reallocation, and frontloading of resources, as well as Executive Board waivers to speed up project design and approval processes. In the case of the World Bank, existing development policy operations were expanded through flexible emergency components such as Catastrophe Deferred Drawdown Options and Contingent Emergency Response Components. Throughout, there was continuous interaction between the MDBs, IMF, and World Health Organization (WHO) to promote policy coherence across these operations and mitigate the consequences of COVID-19 for macroeconomic stability. Overall, approvals for development policy operations among the World Bank, AfDB, AsDB, and Inter-American Development Bank (IaDB) totalled over USD 60 billion between March 2020 and June 2021.² The response of selected MDBs is summarised in Box 1 below (see Annex 2 for references and links to the underlying documents and Annex 4 for additional information on the response and underlying policy framework). The response of NDB is elaborated further below.

Box 1: Summary table of response of selected MDBs

<p>1 AfDB</p> <p>Identified USD 10 billion to be made available in 2020 for sovereign (USD 8.6 billion) and non-sovereign operations (USD 1.4 billion) with the objectives of: Rapid, cost-effective and targeted emergency budget support; Liquidity support to Regional Member Countries (RMCs); Support without deepening debt burden; and Support to RMCs and private sector.</p>	<p>2 AsDB</p> <p>Initial commitment of USD 6.5 billion extended in April 2020 to a total package of USD 20 billion for sovereign (USD 18.2 billion) and non-sovereign (USD 1.8 billion) operations. In December 2020, AsDB established the Asia Pacific Vaccine Access Facility (APVAX) with a resource envelope of USD 9 billion.</p>
<p>3 IsDB</p> <p>Indicative financing of USD 2.3 billion from across the Islamic Development Bank (IsDB) Group increased to USD 3.07 billion in December 2020, USD 3.55 billion in January 2021, and USD 3.64 billion in March 2021. Strategic Preparedness and Response Programme (SPRP): Respond, Restore and Restart.</p>	<p>4 World Bank</p> <p>USD 12 billion facility proposed in early March, extended to USD 14 billion shortly thereafter and then greatly expanded in June. The ambition of the World Bank crisis response was to help client countries assist at least one billion people impacted by the COVID-19 crisis and to restore momentum to the Twin Goals of fighting poverty and promoting shared prosperity through support to Relief, Restructuring and Resilient Recovery.</p>

1 IaDB Group (2022) "Trends and features of Policy Based Lending at the Inter-American Development Bank."

2 This figure is an estimate based on organisational reporting. The true figure is difficult to calculate due to the fact that development policy operations sometimes include both COVID-19-related and non-COVID-19-related components.

> Impact in NDB Member Countries

11. In **Brazil**, the Government declared a national health emergency associated with the COVID-19 outbreak and established a coordinated and comprehensive strategy to deal with health emergency needs, support economic activities, and lay the foundation for recovery. Many of these national measures were complemented by states and municipalities, primarily tasked with the health response. In **Russia**, as lockdown and social distancing measures were gradually relaxed in Q3_2020, the number of COVID-19 cases rapidly increased towards the end of the year. This surge stressed the national healthcare system, necessitating the reintroduction of social distancing measures. **India**, like many other parts of the world, was heavily affected by COVID-19. In India, the challenge was compounded by insufficient healthcare infrastructure, including inadequate disease detection, testing facilities, isolation wards, and a shortage of healthcare workers. Moreover, there was an inadequate supply of oxygen, ventilation equipment, and personal protective equipment.
12. In **China**, the economy was broadly impacted by COVID-19. Hubei Province, Guangdong Province, and Henan Province, with the highest number of confirmed cases of COVID-19 were the hardest hit. The impact of COVID-19 in **South Africa** was compounded by the country's socio-economic dynamics. The steps taken by the Government included a national lockdown, rolling out extensive testing and contact tracing programmes, and implementing several initiatives aimed at assisting vulnerable populations. The movement constraints in the country and containment measures implemented by its trading partners adversely impacted the economy and, particularly, the poor and vulnerable populations.

> NDB Response: Emergency and Economic Recovery

13. **Evolution of NDB Emergency Programme Loan Policy.** Following the WHO declaration of the COVID-19 outbreak as a pandemic, NDB was one of the first MDBs to respond, by mounting a significant emergency response in support of its five founding member countries. In a statement issued on April 22, 2020, the NDB Board of Governors welcomed the approval of the Renminbi (RMB) 7 billion Emergency Assistance Programme in Combatting COVID-19 to the Government of the People's Republic of China. At the same time, the Bank's Board of Governors welcomed that the Bank established an Emergency Assistance Facility to meet the emergency needs of member countries. Such emergency loans to member countries could be used to finance direct expenses related to the fight against the COVID-19 outbreak or provide support to governmental measures contributing to economic recovery in member countries. The Bank aimed to provide up to a total of USD 10 billion in crisis-related assistance, including support for member countries' economic recovery.
14. Subsequently, the NDB Board approved a sovereign emergency loan to India at the end of April 2020 based on its endorsement of waivers for specific emergency response features not supported by its existing policy framework. The Board requested a new policy to facilitate the approval of future loans. The Fast-Track Policy was approved by the Board on June 10, 2020. The policy complemented the Bank's existing sovereign lending modality with the CEPL to provide sovereign emergency assistance in support of government programmes comprised of various measures for addressing COVID-19 impacts. The policy was proposed for an initial period of 24 months with the possibility to extend it up to 30 months.
15. Three further emergency loans to Brazil, Russia and South Africa were made under this policy. Information on the context related to COVID-19 in the five countries and on the first five Emergency Programme Loans is summarised in Table 1.

Table 1: Emergency Programme Loans—summary data

Project title	Borrower	Approval date	Signing date	Effective date	First disbursement	Currency	Approved amount
NDB Emergency Assistance Programme in Combating COVID-19	The People's Republic of China	March 19, 2020	March 20, 2020	March 23, 2020	April 17, 2020	CNY	7 billion
Emergency Assistance Programme in Combating COVID-19	The Republic of India	April 30, 2020	May 5, 2020	May 5, 2020	May 11, 2020	USD	1 billion
COVID-19 Emergency Program Loan (CEPL)	The Republic of South Africa	June 19, 2020	July 13, 2020	July 13, 2020	July 20, 2020	USD	1 billion
Emergency Assistance Programme in Combating COVID-19	The Federative Republic of Brazil	July 20, 2020	December 24, 2020	January 15, 2021	February 5, 2021	USD	1 billion
CEPL for Supporting Russia's Healthcare Response	The Russian Federation	March 25, 2021	December 14, 2021	December 14, 2021	December 21, 2021	EUR	0.87 billion

Source: NDB PDBs

16. The **China** Emergency Assistance Programme in combating COVID-19 was NDB's first emergency assistance programme in response to an outbreak in its member countries and was processed in a record time of around one month from the request to NDB by the Government to the approval of the programme by NDB's Board. The programme was designed based on a diagnosis of urgent needs for emergency assistance finance for the three Chinese provinces – Hubei, Guangdong, and Henan – that were hit the hardest during the first wave of the COVID-19 pandemic.
17. This was followed by a loan to **India** to support the Government in its efforts to contain the spread of the virus and reduce human, social, and economic losses. The objective of the programme loan to **South Africa** was to assist the Government in its efforts to combat the outbreak of COVID-19, minimise the loss of human life and reduce social and economic losses through two components: healthcare and social safety net. The purpose of the NDB loan to **Brazil** was to support the Government in strengthening social safety nets and to address immediate socio-economic impacts arising from the COVID-19 outbreak, particularly on the most vulnerable population in the country. The programme in **Russia** aimed to address one of the most critical needs in Russia's healthcare response to the COVID-19 pandemic by providing support to frontline health workers, including doctors, nurses and medical staff.
18. A second series of four further programme loans to Brazil, India, China, and South Africa aimed at supporting economic recovery (see Table 2). This report refers to these loans as the economic recovery programme loans.

Table 2: Economic Recovery Programme Loans—summary data

Project title	Borrower	Approval date	Signing date	Effective date	First disbursement	Currency	Approved amount
Brazil Emergency Assistance Programme for Economic Recovery	The Federative Republic of Brazil	December 7, 2020			Pending signature	USD	1 billion
CEPL for Supporting India's Economic Recovery from COVID-19	The Republic of India	December 11, 2020	December 16, 2020	December 16, 2020	January 7, 2021	USD	1 billion
Emergency Assistance Programme in Supporting China's Economic Recovery from COVID-19	The People's Republic of China	February 26, 2021	March 18, 2021	March 18, 2021	July 1, 2021	CNY	7 billion
CEPL for Supporting South Africa's Economic Recovery from COVID-19	The Republic of South Africa	April 2, 2021	June 8, 2021	June 8, 2021	June 17, 2021	USD	1 billion

Source: NDB PDBs

19. The **Brazil** Emergency Assistance Programme for Economic Recovery aimed to support the recovery of the Brazilian economy by providing resources for the Ministry of Economy to capitalise on the Fund that provides guarantees to participating financial institutions on loans provided to small and midsize enterprises.³ The **China** loan was designed to (i) support the restoration of production capacity in key sectors and (ii) reinforce early economic recovery. The economic recovery programme loan for **India** was designed to support the Government's measures to contain the economic fallout of the COVID-19 pandemic and enable speedy economic recovery from the impact of the pandemic-induced lockdown. The programme for **South Africa** comprised two subprogrammes: (i) creation of employment opportunities through the Presidential Employment Stimulus (PES) and (ii) social assistance for those who temporarily lost their jobs during the pandemic to retain them in the labour market.
20. Consultations with the Borrower in **Russia** concerning the priority measures for the second COVID-19 loan began in the autumn of 2021. However, all the specific details, terms and conditions were not finalised until February 24, 2022. Thereafter, all new transactions in Russia were put on hold, including preparing the Programme Documents for the Board (PDB) and other associated documents for the second COVID-19 loan for Russia.

3 It is important to note that the loan, though not signed by the end of the evaluation, was finally signed in October 2023.

3

EVALUATION OBJECT AND SCOPE

- › Object
- › Scope
- › Loans Covered by the Evaluation



> Object

21. The object of the evaluation is the entirety of the NDB COVID-19 response programme, with specific emphasis on the first five Emergency Programme Loans provided by the NDB to support the COVID-19 response in its five founding member countries, listed in Table 1 and the four Economic Recovery Programme Loans listed in Table 2. This evaluation is not tantamount to conducting individual project evaluations of

each loan. Instead, while the evaluation carefully examines the results, experience, and lessons from each of the loan-funded operations in the five countries (Brazil, Russia, India, China, and South Africa), it aims to provide a holistic and integrated assessment of the performance of the totality of the emergency programme, drawing insights, lessons, and recommendations for the way forward.

> Scope

22. To achieve its objectives, the evaluation addresses the following key evaluation questions:

Relevance

- i. How adequate and strategic was the support NDB provided to the five countries bearing in mind the emergency context?

Effectiveness

- ii. To what extent has the Bank's programme achieved its objectives?

Efficiency

- iii. How adequate were the financial and human resources deployed by the Bank?
- iv. How appropriate were the terms and conditions, interest rate, grace and repayment period of the loans?
- v. How coordinated was the Bank's response with the interventions of other development partners and with its other programmes in the countries?
- vi. How efficient were the Bank's processes?

Impact

- vii. Did NDB loans contribute to strengthening the Government's ability, institutional capacities, and social infrastructure (in particular, hospitals and other medical facilities) to combat the pandemic?

viii. Did the loans have a specific impact on poor and vulnerable groups, including women?

ix. Did the loans help sustain government social protection programmes?

x. Did the economic recovery loans have a short-term economic impact?

23. The standard sustainability criterion is not assessed in this context of emergency short-term support. Available reports do not address sustainability as could be expected in the case of the emergency response through the first set of loans. Evaluating the sustainability of the outcomes of the second set of programmes aiming at facilitating economic recovery would be more relevant. However, it is too early to conduct a robust analysis of the sustainability of these programmes at this stage of their implementation.

24. Regarding impact, taking into account challenges to establish a causal link between the Bank's limited contribution to the response programmes of the countries, the IEO evaluation describes the impact of each country's efforts in combating the COVID-19 pandemic, as presented in the final reports of the five countries and the related available Bank Project Completion Reports (PCRs). The evaluation also seeks to draw lessons from similar COVID-19 response programmes carried out by comparable MDBs.

25. In addition to the above, the evaluation assesses NDB and Borrower performance, respectively.

Finally, the evaluation pays special attention to NDB's preparedness to respond to the crisis to draw lessons for future crises with a significant global impact. For each criterion covered in this

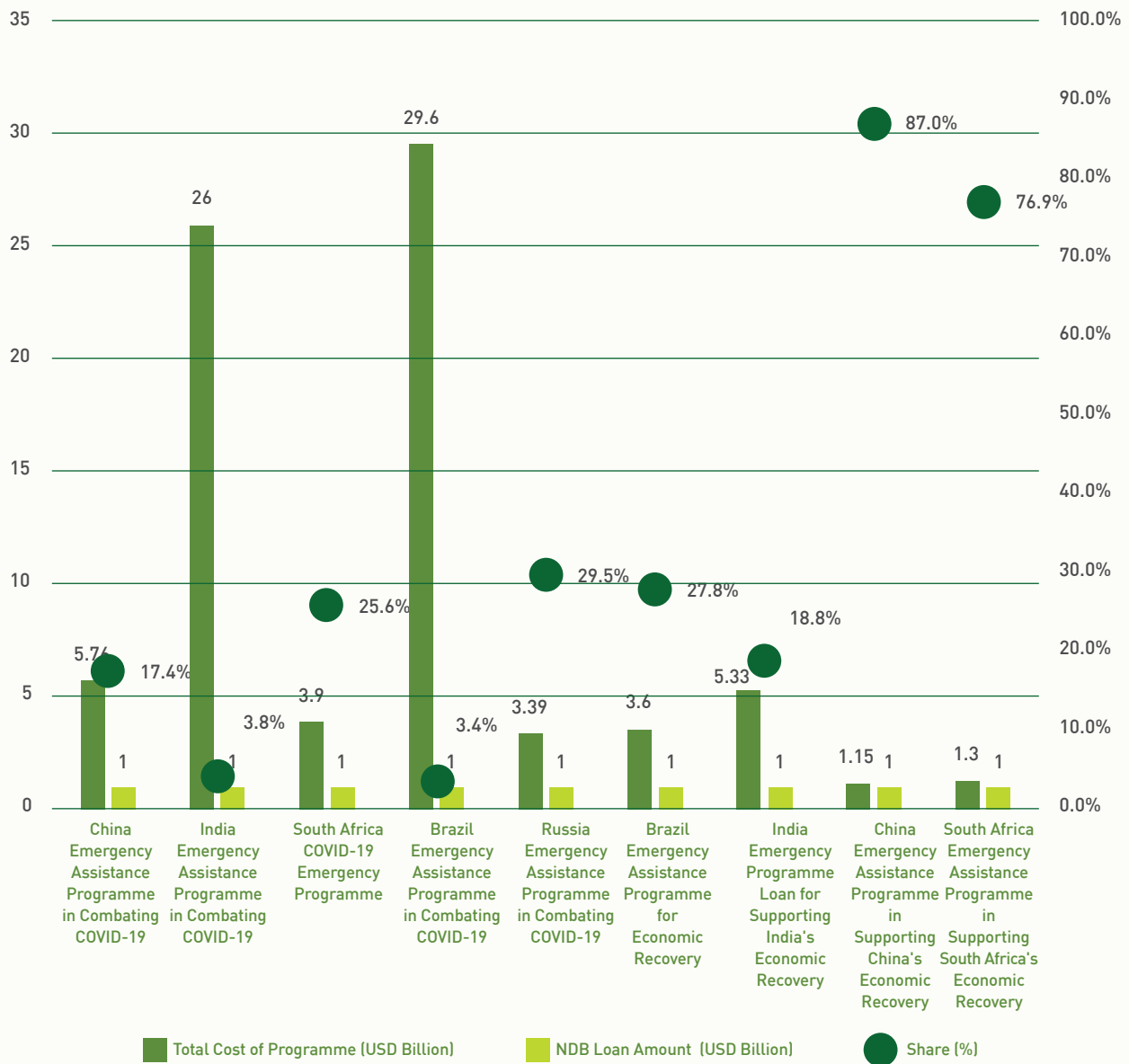
evaluation, and based on the evidence collected and its analysis, IEO assigns a rating on a six-point scale 4 summarising its overall performance assessment.

> Loans Covered by the Evaluation

26. The main parameters of the programme loans provided by NDB and covered by this evaluation are summarised in this section. All of the loans relied on a single instrument – the CEPL.
27. **Amount, Currency, and Terms.** The nine loans were the same amount, USD 1 billion or equivalent. The loans were made in different currencies—Chinese Yuan (CNY) for the loans to China, USD for Brazil, India, South Africa, and Euro for Russia. For ease of comparison, all amounts are shown in USD equivalent. The tenor of the first five emergency loans was also identical – a five-year grace and 25-year repayment period. The second set of economic recovery loans continued the same practice with one change: the tenor for the loan to China was shortened to a five-year grace and a 15-year repayment period. Front-end and commitment fees were in line with the Bank's sovereign loans policy.
28. **Focus and Contribution.** The first three loans to China, India, and South Africa were focused on emergency support to respond to the COVID-19 pandemic in the broad areas of healthcare and support to social safety nets. The first loan to Brazil sought to support vulnerable populations through cash transfers, and the loan to Russia, payments to healthcare workers. The second set of loans was directed at mitigating the adverse economic impact of COVID-19 and supporting economic recovery in different areas/sectors. The focus of the loans and the contribution of the NDB loans to the government programmes they supported are shown in Figure 2 and Table 3. The contribution of the NDB loans to the specific programmes on which the Governments reported to the Bank varied widely, ranging from 3% in the initial Brazilian loan to 87% in the second loan to China.

4 Rating scale: 6 – highly successful; 5 – successful; 4 – moderately successful; 3 – moderately unsatisfactory; 2 – unsatisfactory; and 1 – highly unsatisfactory.

Figure 2: NDB contribution to member country emergency and economic recovery responses



Source: NDB PDBs

Table 3: Focus and contribution of NDB loans

Loan	Focus/Composition	Total cost of programme (USD billion)	NDB loan amount (USD billion % of total)
Brazil Emergency Assistance Programme in Combating COVID-19	Basic Emergency Aid to vulnerable populations through FGI-PEAC	29.6	1 (3.4%)
Brazil Emergency Assistance Programme for Economic Recovery	Credit guarantee support to help the survival of small and mid-size enterprises and maintenance of jobs through FGI-PEAC	3.6	1 (27.8%)
Russia Emergency Assistance Programme in Combating COVID-19	Support/incentive payments to frontline health workers	3.39	1 (29.5%)
India Emergency Assistance Programme in Combating COVID-19	Emergency Healthcare and Strengthening Social Safety Net	26	1 (3.8%)
India Emergency Programme Loan for Supporting India's Economic Recovery	Facilitate economic activity and rural employment generation	5.33	1 (18.8%)
China Emergency Assistance Programme in Combating COVID-19	Loans to the most affected provinces of Hubei, Guangdong and Henan	5.76	1 (17.4%)
China Emergency Assistance Programme in Supporting China's Economic Recovery	On-lending through the Agriculture Development Bank of China (ADBC) and Exim Bank of China	ADBC 0.45; Exim Bank 0.7	1 (87%)
South Africa COVID-19 Emergency Programme	Healthcare and Social Safety Net	3.9	1 (25.6%)
South Africa Emergency Assistance Programme in Supporting South Africa's Economic Recovery	Creation of employment opportunities and temporary social assistance through PES	1.30	1 (76.9%)

Source: NDB PDBs

29. Implementation Arrangements.

The implementation responsibilities for the nine loans are summarised in Table 4. As expected, these align with the focus and composition of each loan. In all cases, retroactive financing and advance disbursement were permitted. The initial five loans were disbursed in a single tranche. The disbursement pattern for the three economic

recovery loans varied due to differences in their design. The first of these loans, directed to India, was disbursed in a single tranche, as was the loan to South Africa. However, the loan to China was disbursed in two tranches, one to each of the two recipients – the Agricultural Development Bank of China (ADBC) and the Exim Bank of China.

Table 4: Implementation arrangements

Loan	Implementing agency	Advance disbursement
Brazil Emergency Assistance Programme in Combating COVID-19	Ministry of Citizenship	Up to 100% of Loan Amount
Brazil Emergency Assistance Programme for Economic Recovery	Brazilian Development Bank (BNDES)	Up to 100% of Loan Amount
Russia Emergency Assistance Programme in Combating COVID-19	Ministry of Finance	Up to 100% of Loan Amount
India Emergency Assistance Programme in Combating COVID-19	Department of Economic Affairs, Ministry of Finance	Up to 100% of Loan Amount
India Emergency Programme Loan for Supporting India's Economic Recovery	Department of Economic Affairs, Ministry of Finance	Up to 100% of Loan Amount
China Emergency Assistance Programme in Combating COVID-19	Provincial Governments of Hubei, Guangdong and Henan Provinces	Up to 100% of Loan Amount
China Emergency Assistance Programme in Supporting China's Economic Recovery	ADBC and Exim Bank of China	Applicable up to 20% for ADBC and 90% for Exim Bank
South Africa COVID-19 Emergency Programme	Department of Health and Department of Social Development	Up to 100% of Loan Amount
South Africa Emergency Assistance Programme in Supporting South Africa's Economic Recovery	Project Management Office in the Presidency and Department of Social Development	Up to 100% for expenditures incurred 12 months before loan signature

Source: NDB PDBs

30. Environmental and Social Aspects. The programmes were rated C, B, or FI-B (where financial intermediaries are involved) based on the NDB Environmental and Social Framework (ESF). In each case, the Borrower was required

to represent what it read and understood of the ESF and would cause the Implementing Agency to carry out the programme in compliance with the ESF and/or laws applicable in the country.

4

APPROACH AND METHODOLOGY

- › General Approach
- › Summary of the Evaluation Process
- › Challenges
- › Limitations



> General Approach

31. To support the response of its five founding members to the COVID-19 crisis, the Bank formulated the Fast-Track Policy. It launched the first set of five emergency loans, focusing on one or two of the three main dimensions of the national COVID-19 responses: the health sector's efforts to limit the loss of lives; and the short-term socio-economic impact mitigation policies. In subsequent loans, the Bank supported the third dimension, i.e., longer-term economic recovery. As noted above, two of the initial five loans were designed and negotiated before the Bank's emergency response policy was approved. Considering (i) that this chronology of events was due to the emergency context, (ii) the homogeneity of the purpose and design of the five first loans, and (iii) the fact that the content of the policy was heavily influenced by the experience of the design and implementation of the first loan to China, this evaluation assumes that all nine loans fall under the purview of the Fast-Track Policy.
32. The evaluation questions presented above are
- selected and formulated to provide the Bank with useful lessons and recommendations, notably regarding the:
 - i. Relevance of the policy to the Bank Mandate and priorities and the alignment of the interventions with the Bank policy and the relevant national political frameworks;
 - ii. Effectiveness of the Bank's programme;
 - iii. Efficiency of the Bank's interventions in addressing health or other similar crises in the future; and
 - iv. Impact of the NDB loans on the country's emergency response capacity.
33. The IEO outlined an evaluation framework that includes a set of judgement criteria, indicators, and sources. This framework serves as the basis for addressing each of the previously mentioned evaluation questions and is presented in Annex 3.

> Summary of the Evaluation Process

34. The evaluation was conducted under the direct oversight and guidance of the Director General of IEO, supported by a senior MDB and evaluation expert, an evaluation research analyst, and the IEO evaluation communication and outreach expert. IEO is responsible for the contents and quality of the final evaluation report and related outputs.
35. Following the finalisation of the Approach Paper,⁵ the evaluation was conducted in three successive phases: document review, data collection and analysis of the information and data gathered, and report preparation.
- i. **Document Review.** The documents reviewed are presented in Annex 2. They include relevant documents of the Bank, the Borrowing Governments, and selected comparator MDBs. This includes evaluations of COVID-19 response carried out by these MDBs.
 - ii. **Data Collection and Analysis.** The data and information collection phase involved virtual interviews with NDB staff listed in Annex 5.
 - iii. **Report Preparation and Follow-up.** The analysis of documents and information gathered from interviews formed the basis for drafting the evaluation report.
36. The evaluation benefitted from IEO's quality enhancement processes, which encompassed internal reviews and an external assessment by a Senior Independent Advisor, Dr. José Graziano da Silva, former Director General of the Food and

5 Final Approach Paper – COVID19 Evaluation (www.ndb.int/wp-content/uploads/2023/05/Final-Approach-Paper-COVID19-Evaluation.pdf)

Agriculture Organization of the United Nations. He contributed to the evaluation's design and reviewed the draft final report. His final note on the evaluation's quality and insights for future actions may be seen in Annex 1 of the report (this will be provided as a separate document to the Board before its meeting).

37. The draft report was shared with the country partners and NDB Management for comments. It was then finalised, incorporating the comments received. An audit trail was produced to demonstrate how IEO integrated the comments received in the final report.

38. The final IEO evaluation report, including the senior independent advisor's report and the NDB Management Response was discussed in the Bank's Board of Directors (BoD) meeting planned in November 2023. In line with the provisions of the NDB Evaluation Policy, the key evaluation outputs (e.g., evaluation report, Evaluation Lens,⁶ and others) will be disclosed to the public through the IEO webpages⁷ on the NDB website and other communication instruments.

> Challenges

39. The following factors impacted the evaluation process and final report:

i. *Evaluability of the Programme and Related Loans.*

Evaluations are necessary to allow the Bank to learn lessons from its experience and be accountable to its Board. Evaluability of Bank interventions is a major element of quality at entry since it determines the quality of their monitoring and evaluation. The evaluability of the NDB Fast-Track Policy is limited. The PDBs of the nine loans and the related loan agreements:

- a. Provide only limited information about the logical links between the problem to address (support needed by the national COVID-19 response policies), the different levels of expected results (outcomes and outputs), activities, and inputs, limiting the capacity to evaluate the relevance and effectiveness of the interventions;

- b. Contain uneven quality of indicators, baselines, and targets related to the different levels of objectives (outcomes and outputs), which generally provide the basis to assess the programme effectiveness.

ii. *Monitoring.* The Policy, PDBs, and the loan agreements state that the monitoring of programme implementation and results are the responsibility of the Government and, besides a general results and monitoring framework,

do not specify the kind of information about the implementation and results that the Bank needs to analyse its interventions to draw lessons from that experience in order to better address similar crises in the future. In practice, the only source of information about the implementation and results of the loans used for this evaluation is the final reports provided to the Bank by the Governments.

- iii. *Final Reports.* The content of the final reports, as outlined in the loan agreements, is formulated from a summative perspective. The member countries were required to confirm that the loan agreements were implemented as agreed and contributed to the expected results. These reports provide limited analytical elements on processes and results that could provide a basis for drawing useful lessons. Furthermore, final reports were available only for the first five Emergency Programme Loans.

- iv. *Project Completion Reports (PCRs).* The PCRs are self-evaluation documents in which the Bank assesses the relevance, implementation, and performance of its projects. They provide an important source of information for the independent evaluation, and hence, their quality impacts the overall quality of the evaluation. Despite the significant time that has elapsed since the loans have been fully disbursed, PCRs are available to the evaluation team for only two loans, both in draft form and not validated by IEO.

⁶ A two-page reader-friendly brochure summarising the evaluation's findings and recommendations.

⁷ <https://www.ndb.int/governance/independent-evaluation/>

- v. *Assessment of Contribution:* Due to the nature of the Bank interventions contributing a small amount to, in some cases, very large and complex crisis response programmes, the causal link between the resources allocated and the programmes' results is hard to evidence.
- vi. *Evaluation Design:* The evaluation budget and timeframe allowed only for a limited number of interviews within the Bank (see Annex 5).

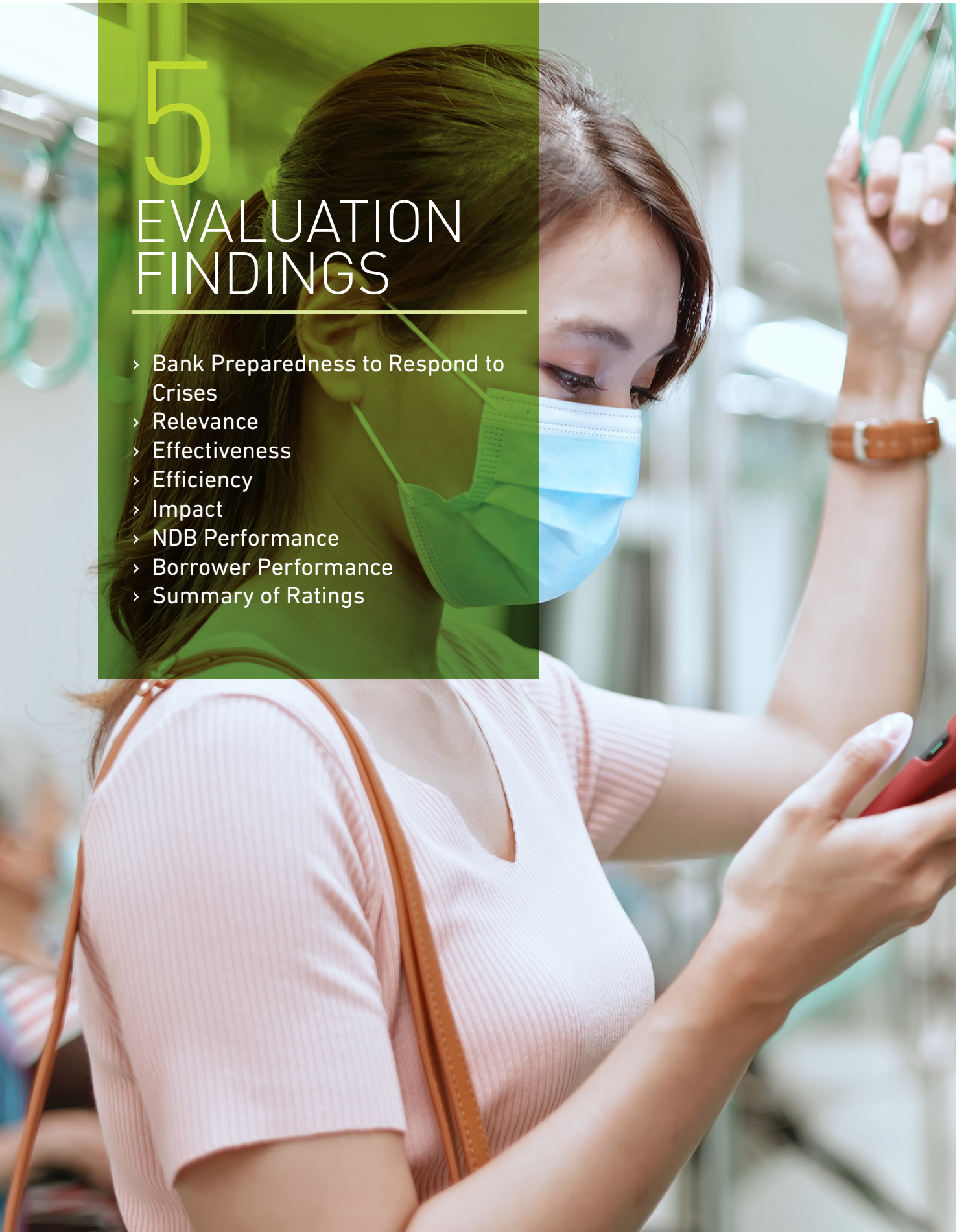
> Limitations

- 40. This evaluation is exclusively based on the documents provided by the NDB, the final reports of the Governments, and interviews of the Bank staff and some members of the BoD representing the Borrower countries.

5

EVALUATION FINDINGS

- › Bank Preparedness to Respond to Crises
- › Relevance
- › Effectiveness
- › Efficiency
- › Impact
- › NDB Performance
- › Borrower Performance
- › Summary of Ratings



> Bank Preparedness to Respond to Crises

41. The Bank, like the other MDBs, was not prepared for responding to crises, particularly of the scope and magnitude of the COVID-19 crisis. In fact, support for an emergency assistance programme is not foreseen in either the Bank's Mandate or Strategy 2017-2021. Nevertheless, NDB was the first MDB to respond and moved rapidly. Despite the lack of preparedness, it was able to approve the loan to China on March 19, 2020, within 40 days of initiating the dialogue with the Government.
42. As noted above, on April 22, 2020, the NDB Board of Governors welcomed the approval of the loan to China and, at the same time, the establishment of an Emergency Assistance Facility to meet the emergency needs of member countries. This was then followed by a loan to India at the end of April and then the formulation of the Fast-Track Policy, which was approved by the Board on June 10, 2020. The further emergency loans to South Africa and Brazil were made under this policy in June and July 2020. The loan to Russia followed much later in March 2021 (Table 1). In light of the experience with the first set of loans, the Bank was better prepared for the second set of loans.
43. While the Fast-Track Policy concentrated on supporting the COVID-19 responses of member countries, the Management recognised the limits of the policy and initiated the preparation of a broader Disaster Response Policy. However, considering the Bank's Mandate to finance infrastructure and sustainable development projects, the Management decided not to proceed with formulating this policy at this time.

> Relevance

Relevance of the Fast-Track Emergency Response to COVID-19 Policy (Fast-Track Policy)

44. NDB's Articles of Agreement mandate that NDB will mobilise resources for infrastructure and sustainable development projects in Brazil, Russia, India, China, and South Africa (BRICS) and other Emerging Markets and Developing Countries (EMDCs). The NDB General Strategy 2017-2021, which was the framework under which the Fast-Track Policy was designed and implemented, provided some basic principles and general objectives to implement the NDB Mandate such as: (i) sustainable infrastructure development is at the core of NDB's operations; (ii) NDB's key areas of operation will include but not be limited to clean energy, transport infrastructure, water management infrastructures, sustainable urban development and economic cooperation and integration among member countries; (iii) NDB retains the flexibility to provide project financing and technical support in areas beyond sustainable infrastructure development, based on the needs of its member countries; (iv) national sovereignty is paramount; (v) NDB supports projects tailored to individual countries' needs, respecting their development priorities and strategies; (vi) the Bank follows, whenever possible, nationally-defined laws and procedures on project implementation without compromising quality; (vii) NDB aims to be fast, flexible and efficient by designing streamlined project review and implementation oversight without unnecessary bureaucracy; (viii) the Bank uses a risk-based approach to project approval and oversight that mandates more intensive ex-ante reviews for complex, risky projects, while low-risk projects go through a more streamlined procedure with ex-post checks; (ix) the Bank has already signed several partnership agreements with international development organisations, national development banks and commercial banks and will continue building partnerships in the future; (x) NDB intends to strike a balance between building a reliable development finance institution and remaining adaptable to changing circumstances; (xi) opportunities to offer local currency loans will be actively sought; (xii) risk evaluation will determine the subsequent review and oversight

requirements and procedures for managing financial, procurement, environmental, social, legal and other risks, to make more efficient use of staff time and energy; and (xiii) NDB is developing an institutionalised review mechanism that will channel lessons from previous projects into the design of future operations.

45. By definition, the NDB Fast-Track Policy is not aligned with the strict focus on infrastructure projects at the origin of the creation of the Bank, as clearly stated in its Mandate. Emergency programme lending was not foreseen in the Mandate or Strategy 2017-2021. Also, health was not a sector prioritised in Strategy 2017-2021 but was integrated into Strategy 2022-2026 as part of the investments in social infrastructure. The NDB, like many other MDBs, was not designed to address global crises threatening deeply the health and socio-economic basis of most people and countries worldwide. The NDB BoD reacted quickly and decided to adapt to the context and to help its founder member countries facing the crisis. As mentioned above, the Board created a specific facility and instrument called the CEPL. This was endorsed on a case-by-case basis, allowing waivers to incorporate distinct emergency response features not supported by NDB's existing policy framework. This facilitation permitted the appraisal and signature of two Emergency COVID-19 Response Loans, one for China and another for India. The BoD then sought a new policy to facilitate approval of the loans intended to be extended through the facility. The Fast-Track Policy was designed in response to this request from the Board. In contrast, the comparator MDBs could rely on existing policies and, in some instances, set up specific programmes and facilities to address the crisis, e.g., the COVID-19 Rapid Response Facility (CRF) of the AfDB, the Strategic Preparedness and Response Programme (SPRP) of the Islamic Development Bank (IsDB) and the USD 12 billion facility proposed by the World Bank as early as March 2020.
46. The policy and the subsequent loan agreements conform to the principles (iv) to (viii) of the above list dealing with the respect of national sovereignty, needs, rules and procedures, and procedural flexibility and efficiency (speed and administrative costs), notably allowing for retroactive financing of early national initiatives that were part of their COVID-19 response strategies. The implementation of some of the loans shows that principle (ix), building
- partnerships, is also applied. The policy is a good example of adaptation to specific circumstances (x), and the loan to China is granted in local currency (xi). The risk evaluation to assess the need to review the oversight requirements (xii) remains to be done, and the current evaluation is an element of application of principle (xiii).
47. While not foreseen in the Mandate or the NDB General Strategy, the Fast-Track Policy respected most of the underlying general principles, as discussed above.
48. The policy took the experience of other MDBs into account. It notes that "MDB emergency response in the past focused narrowly on natural disasters and sometimes on post-conflict situations. With such requests growing over the years, MDBs more recently broad-based their emergency policies and practices. Anthropogenic disasters and epidemics are also now included under disasters. The scope of emergency assistance has been expanded to include support for transitional safety net measures aimed at preserving human, institutional, and social capital with measures such as the reinstatement of essential support and services and cash transfers to affected people. Speed of delivery of assistance is emphasised with a recognition that delays result in missed opportunities that can prolong suffering and even cost lives. Procurement and disbursement procedures have been simplified and shortened to make them more suited to realities on the ground and better aligned with the emergency practices of the borrower." This quote from the policy shows an understanding of the main features of other MDBs' analyses and approaches.
49. The policy responded to the demands of the NDB member countries. Health systems, and economies in general, came under great stress to cope with the COVID emergency. This has led to urgent requests from COVID-affected developing countries for assistance. The immediate nature of demands arising from the COVID-19 impacts required such assistance to be provided rapidly. Consequently, MDBs adapted to that requirement by introducing/enabling fast-track processes for preparation, approval, and disbursement. Further, since emergency assistance requirements varied from country to country, the specificities of the programmes supported by the loans were negotiated in each case, as presented further below.

50. The selection of the five founding members of the NDB as beneficiaries of the loans was in line with the policy. These five countries provided the same contribution to the Bank's equity, and the Bank decided to provide the same volume of loans to each country. Given the pandemic's impact, this choice likely aimed at ensuring equal treatment for all countries. The absence of a resource allocation mechanism within the Bank to guide funding volumes to eligible member countries also contributed to this decision. This approach facilitated a rapid consensus and enabled the Bank to proceed quickly to the implementation phase.
51. Despite the aforementioned, IEO believes the Bank could have considered taking a differentiated approach in determining the volume of loans to each country, for example, by taking into account each country's population, the number of people affected by the disease in each country at the time of loan design, the trends in infections in the countries, the number of senior citizens in the country who were most vulnerable to the virus, the institutional capacities of the countries to be able to promptly respond to the pandemic, and other parameters. Most other MDBs and international financial institutions have a well-documented resource allocation mechanism approved by their Boards, with a formula composed of several variables to determine transparently the envelope of funding that each borrowing member state may receive over a period of time, something that the NDB has not yet introduced. In the absence of a resource allocation mechanism and with a growing membership of the NDB, decisions on resource allocation run the risk of becoming arbitrary and potentially favouring some member countries over others.
52. The policy was formulated based on the experience of the appraisal of two first loans to China and India. The loan to China was prepared in close collaboration with the Ministry of Finance, which organised meetings with provincial and municipal representatives who used the loan's resources. In India, NDB was asked to work with other MDBs to contribute to a multi-dimensional national response programme. NDB used the World Bank loan as a template and selected components of the government response that it was prepared to finance. In the case of the two loans approved before the policy was adopted, interviews converge to evidence dialogue with the governments and adaptation of NDB's approach to their needs and requirements.
53. The conclusion is that, except for its primary purpose to address a challenge not foreseen by the Bank's Mandate and General Strategy, the Fast-Track Policy is well aligned with its mandate and the main components of the Bank's Strategy. Its relevance in addressing the COVID-19 crisis is based on the experience of concrete interventions negotiated with two Bank member countries but not supported by an explicit theory of change.⁸ However, the evaluation also concludes that a more differentiated approach could have been considered in terms of the volume of funding provided to each of the five member countries.

Relevance of Loan Amounts to NDB Financial Capacity

54. The amounts approved, signed, and disbursed under the CEPLs are shown in Table 5. In both 2020 and 2021, CEPLs accounted for more than 60% of the Bank's lending. Importantly, the CEPL share of disbursements was over half of the total in 2020 and close to two-thirds in 2021.

8 See "Quality at entry".

Table 5: CEPL amounts (USD billion)

Amount of loans	2020	2021
Amount of loans approved	6.0	3.0
Signed	5.0	3.0
Amount of loans disbursed	3.0	5.0

Source: NDB PDBs

55. The large amounts had an impact on the Bank's operations and on its finances. The evaluation could not find evidence that any detailed financial analysis was undertaken to determine the USD 10 billion size of the facility, taking into account the amount of resources available and the implications to resource availability to finance regular operations.
56. On the operations front, the CEPLs and related amounts offset a decrease in operations in other areas. The number of loans approved dropped from 22 in 2019 to 19 (including six for COVID-19) in 2020 and 10 (including three for COVID-19) in 2021. Assessing the opportunity cost of the Bank's resource allocation is beyond the scope of this evaluation, but the fact that IEO has not found evidence of a rigorous analysis or even a systematic discussion about this aspect suggests that the relevance of the total amount dedicated to the COVID-19 response may not have been systematically assessed.
57. On the financial front, the CEPLs required a step up in resource mobilisation. Bond issuance amounted to USD 8.25 billion in the international market and CNY 7.0 billion in the domestic market (refer to Table 6). While this impacted the key financial ratios - Equity-to-Asset ratio, Primary Liquidity Ratio, and Capital Utilisation Ratio – these remained in line with the key risk limits set by the Bank.

Table 6: NDB borrowings in 2020 and 2021

International		Domestic	
Placement	Size	Placement	Size
June 16, 2020	USD 1.5 bn	April 3, 2020	CNY 5.0 bn
September 22, 2020	USD 2.0 bn	July 7, 2020	CNY 2.0 bn
April 20, 2021	USD 1.5 bn		
July 15, 2021	USD 2.25 bn		
December, 1 2021	USD 0.5 bn		
Total	USD 8.25 bn	Total	CNY 7.0 bn

Source: NDB PDBs

Relevance of Bank Interventions

- 58. Brazil.** For the COVID-19 Emergency Support Loan, NDB's selection of financing cash transfers was based on the Government's recommendation but also in line with NDB's policy. The Ministry of Economy requested the support of international development agencies to contribute through parallel financing to a single governmental cash transfer programme. NDB initially proposed supporting healthcare but agreed to align to the government priorities since, according to the PDB, programme implementation in close coordination with other development partners would ensure consistency, optimise resource use, and maximise development impact. Concerning the Economic Recovery Loan, the negotiations are still ongoing. According to the PDB, the programme financed by the loan is focused on supporting the Government's response strategy on economic recovery and maintaining jobs and income. The programme continues NDB's engagement in Brazil to respond to the social and economic impacts resulting from the COVID-19 outbreak. In addition, it consolidates the Bank's approach of parallel financing and coordination with other MDBs and development agencies to scale up and improve the efficiency of NDB's intervention and maximise the impact of allocated resources.
- 59. Russia.** NDB proposed to the government to work on healthcare, then had an iterative consultation process with the government, which settled on support to frontline health workers' remuneration. Prior to a focus on health workers, NDB was interested in supporting the Sputnik COVID-19 vaccine. However, the Ministry of Finance declined as the loan would likely not be ready in time to support it. NDB and the Ministry of Finance then settled on a focus on frontline health workers' remuneration.
- 60. India.** Initially, NDB was requested by the government to co-finance a World Bank programme which included components such as policy reforms that are not aligned with the principles of the NDB General Strategy. The Bank selected components of this government programme that it could finance while respecting its Emergency COVID-19 Support Policy. The programme supported by the second loan, undertaken by the government, focuses on natural resource management works to facilitate economic activity and rural employment generation measures to stimulate rural demand, thereby spurring economic growth. The loan is aligned with the Fast-Track Policy regarding eligible components.
- 61. China.** For the emergency loan, the Bank proactively reached out to the Government for the need and possibility of providing emergency assistance and agreed with the government to focus on the three provinces hardest hit by COVID-19. The project team engaged with relevant national and local officials during the consultation process, and the components of the emergency loan were mutually agreed between the NDB project team and the local governments with a view to ensuring relevance and effectiveness. The focus on health helped guide local officials and the NDB team in outlining the necessary infrastructure and support needed, ensuring that project components were appropriate and reflected country needs but also remained within the parameters of the programme.
- 62.** Regarding the NDB contribution to the economic recovery programme, the Bank trusted two Implementing Agencies (IAs) (ADBC and Exim Bank) to implement a series of measures⁹ expected to contribute to the post-COVID-19 economic recovery. The Bank's PDB does not explicitly assess the intervention's relevance but concludes its impact assessment with the following considerations: "The Programme will be a starting point of the closer cooperation by NDB with important development partners in China. Both IAs are key players in China's financial market. ADBC is China's only national development bank dedicated to the agriculture and rural sector, while Exim Bank is a national development bank focusing on foreign trade. Taking this opportunity to support the country's economic recovery, the partnerships with both IAs have the potential to develop into a strategic cooperation over the long term. The Programme is well aligned with NDB's commitment to address member countries' changing development needs with agility and speed of execution, as promoted by NDB's General Strategy 2017-2021. It also represents a diversification of NDB's operations, envisaged by the General Strategy 2017-2021, beyond traditional infrastructures into various sustainable development projects that are in line with the development agendas of NDB's member countries."

⁹ Listed in Annex 5 Table 8.

63. **South Africa.** NDB supported the government response, presented by the National Treasury as "Economic Measures for COVID-19." Different MDBs lent their support to different segments in accordance with their respective experiences and requirements. The government requested proposals from three MDBs (AfDB, World Bank, and NDB), specifying the required funding from each institution. The government was in the process of finalising the types of interventions it aimed to back. This input was then shared with the MDB working group, which deliberated on the scope and amount of support to be provided by each bank.
64. According to the PDB, the programme supported by NDB aligned with the Bank's policy since the measures covered NDB-eligible categories. The second loan financed the creation of employment opportunities, particularly the first phase of the PES. This phase targeted creating and supporting approximately 700,000 job opportunities (sub-programme 1). Additionally, it incorporated social protection measures intended for active labour market participants who experienced temporary job loss. These measures aimed to assist individuals in staying within the labour market (sub-programme 2). Such objectives align with the NDB policy and are responsive to the Government's request.
65. In conclusion, all loans granted in the framework of the policy provided relevant support to the COVID-19 response of the NDB member countries while staying aligned with the Fast-Track Policy. The loans to Brazil, India, and South Africa included some dimensions of social support. While the CEPL loan agreements did not mandate a specific emphasis on vulnerable groups, the Brazilian and South African programmes identified women-led households as a target demographic. Given the widely recognised high-stress levels faced by health workers and their disproportionate representation as victims of the COVID-19 virus, including mortality, morbidity, and long-term psychological trauma, they could be considered as a vulnerable group that deserves specific support, which was the choice made by Russia.
66. **Rating.** Overall, the evaluation concludes that the **Relevance** of the CEPLs to combat the COVID-19 pandemic is **Moderately Successful (4)**. While the design of the overall concept and individual loans were in line with the policy and Borrower needs, the assessment of relevance is affected by a number of factors, including the arbitrary size/volume of the total facility, the lack of a differentiated approach to funding provided to each country, the limited analysis of the impact on and attention to vulnerable groups.

> Effectiveness

Effectiveness by Country

67. The evaluation of effectiveness covers the programmes for which the results were available at the time of the evaluation: the five emergency programmes and the recovery programme of China.
68. The NDB supported national responses to the COVID-19 crisis of its five member countries. The size of its contribution was, in most cases, relatively limited compared to the budgets of the supported programmes in the first five loans (Figure 2 and Table 1).
69. The overall effectiveness assessment of the Bank's support is, therefore, based on the analysis of the results of the five programmes as described in the national final reports and the PCRs.
70. **Brazil.** As presented in the PDB, since the declaration of a national health emergency associated with the COVID-19 outbreak, the Government established a coordinated and comprehensive strategy to deal with health emergency needs, support economic activity, and prepare the ground for recovery. This strategy combined policies to combat the COVID-19 outbreak and its adverse consequences, from public health measures to deal with the needed containment of the virus transmission to social protection measures to address the pandemic's social and economic adverse impacts. Many measures were complemented by states and municipalities, primarily responsible for the health response.

71. The government response included the following set of measures: health prevention, preparedness, and response; mitigation of immediate social impacts; mitigation of immediate economic impacts and to protect jobs; and mitigation of immediate fiscal impacts and support to subnational governments. Table 1 in Annex 6 presents the main sectors and amounts spent on emergency measures taken by the government. Several MDBs, including the NDB, supported the Government's measures to mitigate the crisis's social impact.¹⁰ The NDB's contribution to this measure is exclusively dedicated to supporting the Basic Emergency Assistance Programme (BEA), as recommended by the government. The BEA's overall budget was USD 29.9 billion, of which the NDB financed 3.3%. However, compared to the contribution of other MDBs, NDB's support of this programme was significant.
72. As per the Borrower's final report, the programme reached 38 million direct beneficiaries and 66 million beneficiaries, including family members of direct beneficiaries. Of the direct beneficiaries, 3.6 million were female single parents.¹¹ The total allocation amounted to USD 23.8 billion. It achieved 53% coverage of the expected indirect beneficiaries. This suggests that the per capita allocation exceeded the initial plan (averaging USD 626 per direct beneficiary). The figure of female single parents reached 39% of the original target. The report also indicates a focus on the most vulnerable population, with 53% of emergency aid allocated to the poorest 30% of households.
73. **Russia.** Initially, Russia dedicated USD 54 billion to its Plan to Overcome the Economic Consequences of COVID-19, with USD 1.88 billion earmarked to aid health workers responsible for caring for COVID-19 patients.¹² This funding facilitated incentive payments to medical and other staff directly providing medical care to individuals who were diagnosed with COVID-19, including doctors, nurses, and junior medical staff. Special monthly payments of USD 1,082 were allocated for doctors, USD 676 for nurses, and USD 338 for junior medical staff.
74. Russia dedicated more resources than initially foreseen to the support of health workers. Indeed, as stated in the PDB¹³, "Expenditures totaling Russian Rubles (RUB) 139.3 billion (USD 1.88 billion) under the Programme were already budgeted in the second and the third quarters of 2020. An additional RUB 111.3 billion (USD 1.51 billion) was allocated by the government for the continuation of the Programme for the last quarter of 2020 and the first quarter of 2021. Altogether, RUB 250.6 billion (USD 3.39 billion) was earmarked for the Programme up to February 2021. Additional budgetary resources were expected to be allocated for the Programme for the rest of 2021 in response to the evolution of the COVID-19 pandemic in Russia." According to the final report,¹⁴ the government allocated EUR 4.7 billion (USD 5.7 billion)¹⁵ to support the incomes of 1.3 million health workers dealing with COVID-19 patients. This would translate to an average gross support (including administrative costs) of approximately USD 4,400 per worker. Based on the number of beneficiaries declared in the Government's final report and the amounts allocated, assuming that the administrative costs were not too high, the average support per beneficiary has been significant.
75. **India.** To address the COVID-19 crisis, the Government announced a COVID-19 Emergency Response and Health System Preparedness Package of USD 2 billion and multiple economic relief packages under the Atmanirbhar Bharat Abhiyan amounting to about USD 492 billion. The NDB-supported programme was part of the health system preparedness package and the Government's fiscal and welfare initiatives of USD 23 billion pro-poor social safety net economic relief package, the Pradhan Mantri Garib Kalyan Yojana.
76. The NDB loan of USD 1 billion was utilised mainly in two programmes: emergency response to the healthcare sector; and strengthening the social safety net. The programmes aimed to: (i) prevent, detect, and respond to the threat posed by COVID-19; (ii) fund critical healthcare expenditure to enhance healthcare capacity and strengthen health systems preparedness; and (iii) provide

10 Annex 6, Table 2.

11 Annex 6, Table 3.

12 Annex 6, Table 4.

13 Emergency Programme Document to the Board on a Proposed Loan of up to USD 1 billion equivalent to the Russian Federation for the COVID-19 Emergency Programme, Paragraph 51.

14 PCR with regard to the COVID-19 Emergency Programme Loan.

15 Table 3.

immediate economic assistance to vulnerable and affected groups, thus facilitating economic and social recovery. According to the Government's final report, the NDB loan contributed to several outcomes in the health and social assistance sectors.¹⁶

77. The NDB draft PCR rates the loan as "effective." It notes that the Indian loan PDB and agreement did not include specific expected outcomes due to the nature of the emergency but that the objectives of containment of onward transmission of COVID-19 and alleviating social and economic losses were achieved.
78. **China.** The objective of the Emergency Assistance Programme Loan was to "help local governments reduce the financing gap and free up fiscal resources amid the outbreak so that the adverse impacts from the outbreak on the local economies can be minimised."
79. The PCR shows that, on average, the NDB loan dedicated to three provinces covered 4.7% of government expenditures on pandemic prevention and control in 2020.
80. According to the Borrower's final report, the programme outputs comprised measures on diagnosis and treatment of COVID-19 cases, measures on containment of COVID-19, as well as research and development activities in response to the pandemic.¹⁷
81. The draft PCR rated the programme "effective," although specific outcomes were not set at the appraisal stage. The Government's final report provides information about the use of the resources and the programme outputs.
82. According to the PDB, the China Economic Recovery Programme envisaged NDB support for several sectors that substantially impact achieving the Government's major goals of employment resumption, restoration of production, as well as restoration of demand and supply chains. Based on the request of the Borrower, the scope of the programme to be supported by the NDB loan included sectors such as trade, logistics, agriculture, health, and labour-intensive infrastructure sectors, as well as innovative and high-tech infrastructures promoted by the Government to sustain recovery and support sustainable development. Under the programme,
- batches of sub-loans were selected and assessed by the two IAs mentioned above in supporting the Government's strategy in accordance with their respective mandates. The scope of financing for each of the two IAs was determined in accordance with their respective mandate. Exim Bank received a share of RMB 4.9 billion from the NDB RMB 7 billion loan to the Government, and ADBC received RMB 2.1 billion.
83. Exim Bank provided a progress report covering the programme's implementation from the loan agreement signing (March 18, 2021) to the programme's closing date (September 18, 2022). The ADBC report dated the beginning of 2023 states that the loan of RMB 2.1 billion had been fully utilised to support nine agriculture-related sub-projects in Shandong, Anhui, and Guangxi provinces of China as of the closing date. The cumulative cost of these sub-projects reached up to RMB 3.11 billion, achieved through the revolving utilisation of the loan, with a fund usage efficiency of 148%.
84. The results presented by Exim Bank and ADBC are presented in Annex 6, Table 8. The indicators referred to by Exim Bank and by ADBC are listed in the NDB PDB but not the targets. Based on the targets and results presented by Exim Bank, the programme was more effective than expected since all targets have been exceeded, sometimes by a wide margin. Outputs and outcomes presented by ADBC are not compared to targets. However, adding the numbers provided by ADBC related to the outcomes presented in Annex 6, Table 8 suggests that the overall impact of its activity on the economy of the targeted regions is of the order of magnitude of RMB 14 billion to be compared to the initial loan of RMB 2.1 billion, partially reinvested to reach RMB 3.11 billion.
85. **South Africa.** According to the final report of the Emergency Assistance Programme provided by the Government to the Bank on January 30, 2022, the Government received an amount of USD 1 billion (South African Rand 14 billion) from NDB to assist in the rolling out of its healthcare response to COVID-19 and to provide a social safety net to alleviate the economic impact of the disease containment measures on vulnerable individuals. The programme's final cost was South African Rand 21.96 billion (USD 1.57 billion). The programme entailed: (i) preventing, detecting, and responding to the health threat posed by

16 Details listed in Annex 6, Table 6.

17 Annex 6, Table 7.

COVID-19; and (ii) providing immediate economic assistance to vulnerable groups affected by measures implemented to prevent and contain the disease. The outcomes obtained by the two

dimensions of the government programme are listed in Annex 6, Table 9. They are not compared with targets. The evaluation team did not receive the corresponding Bank PCR.

Overall Effectiveness

86. Assessing effectiveness is about comparing results with objectives, norms, or benchmarks. Contributing to the national responses to COVID-19 was a new endeavour for the countries as well as NDB. Timeliness was critical. In many cases, the Bank and the borrowing countries did not set agreed quantitative targets for the different objectives to which the Bank loans were expected to contribute. No objective norms or generally accepted references are available to compare the results of complex policies addressing such a multi-dimensional and quickly evolving crisis. Benchmarking with other MDBs at that level is also difficult since most MDBs do not assess the effectiveness of their contribution but, as with this evaluation, the effectiveness of the national COVID-19 response programmes to which they contribute. Therefore, the "country effect" is likely to have more influence than the "MDB effect" on the effectiveness assessments presented in similar evaluations by comparable MDBs.

87. Moreover, the policy and the loan agreements state that the provision of information necessary to assess the programmes' effectiveness is the Borrower countries' exclusive responsibility.

The format and the content of the final reports of the five countries are very uneven. The authors of the available draft PCRs faced some difficulties in extracting the information needed to fulfil the requirements of their more standardised report, especially concerning the assessment of effectiveness. Further, the evaluation team did not have the opportunity to triangulate the above information with stakeholders directly involved in implementing the programmes.

88. **Rating.** The general conclusion is that, based on the information provided in their final reports, the programmes supported by the Bank have been perceived as effective by the borrowing countries and based on the two available draft versions of the PCRs by the Bank. "Vulnerable groups" were defined as a single general category and were focused on by some programmes. However, more specific categories, such as women-led households or seniors, widows, and people with disabilities, were identified as specific beneficiaries of the outcomes of the programmes respectively by Brazil and India.¹⁸ In sum, based on the information provided by the borrowers and IEO's analysis, the evaluation assesses **Effectiveness** as **Successful (5)**.

> Efficiency

Adequacy of Resources Dedicated to the Response

89. The Bank responded to the crisis with great urgency and with the required resources. This was reflected in the role of the Vice President/Chief Operation Officer, who provided direct engagement, as in the case of the first operation (China Emergency Loan), and guidance and support throughout the preparation of the first

five emergency loans. It was also reflected in the energy and dedication of the project team leaders. The project team leaders felt very well supported by the operations ecosystem staff responsible for procurement, safeguards, and legal matters. For selected loans, the Bank appointed two team co-leaders.

Appropriateness of Terms and Conditions

90. The Bank's policy on loans with sovereign guarantees states that "NDB will not provide

loans exceeding an average repayment maturity exceeding 19 years." It also states that "the

18 See Annex 6, Table 3 (Brazil) and Table 6 (India).

economic life of a project, the financial condition and debt servicing capacity of the Borrower, revenue flows of the project, and member country's debt servicing situation are the main factors kept in mind for determining the tenor of the loan subject to the maximum tenure specified in the paragraph. The grace period of the loan is determined based on the reasonable time needed to implement the project but may be flexibly applied to reflect country considerations and the time needed to build up initial operations." Use of the terms of a 25-year repayment period

following a five-year grace period for the BRICS countries, while within the average repayment maturity of 19 years as prescribed by the policy, may not be justified by the nature of NDB support, and the economic situation and debt servicing capacity of the five Borrowers. The point that the evaluation also wishes to underline is that there is no evidence that the implication of adopting such long repayment periods for huge volumes of funding to the finances of the Bank was carefully assessed at the time of design and approval of the loans.

Coordination

91. Coordination with development partners exhibited variations across the loans and was primarily guided by the respective governments. The loans to Brazil serve as a prime instance of coordination through parallel financing involving multiple development partners – NDB, the World Bank, the Development Bank of Latin America (CAF), Agence Française de Développement (AFD) and Kreditanstalt für Wiederaufbau (KfW). In the case of India, the Government coordinated assistance across the World Bank, Asian Infrastructure Investment Bank (AIIB), and NDB (with ADB joining

subsequently). In contrast, the initial loan to South Africa encompassed coordination among NDB, the World Bank, and AfDB. On the other end, the loan provided to Russia entailed no coordination with other MDBs. For the economic recovery loans, parallel financing from the NDB and laDB was extended to Brazil, whereas in the cases of China and India, governments didn't seek coordination. In the case of the emergency loan to China, the NDB and AAIB loans were complementary and aimed at supporting different regions.

Efficiency of Processes

92. Two methods for improving the efficiency of processing the Bank's support are the guidance and support provided to project teams and the streamlining of the underlying processes. A comparison with the practice of peer organisations in their response to COVID-19 is shown in Box 2. Unlike the practice of some of the peer organisations, no written guidance and/or results/report templates were made available to the NDB teams. In the case of the first two loans, neither did the teams have the benefit of the Fast-Track Policy. Team leaders indicated that they

were able to draw on some features of sustainable development loan modality and benefitted from hands-on engagement and guidance provided by the Vice President and Chief Operating Officer. The sharing of lessons and experiences across the different teams was ad hoc and informal. With respect to the streamlining of processes, the Bank waived the Project Concept Note step for the emergency loans and the requirement for formal negotiations. In the case of the loan to Russia, negotiations were replaced by technical discussions.

Box 2: Guidance and processes

AfDB	AsDB	IsDB Group	World Bank	NDB
Guidance provided				
Guidance was provided through extensive notes on the selection and processing of COVID-19 Rapid Response Facility (CRF) operations and separate notes on Results Tools for CRF.	The programme was implemented with flexibility in the use of existing staff resources without any additional, specific guidance.	Bank guidance was made available to task teams upon request, with additional support available for procurement from legal, risk management, and evaluation (through a 2021 evaluation).	The Bank provided a lot of corporate support and guidance, which also covered procurement, environmental, and safeguard aspects.	No written guidance regarding emergency assistance (for the first two loans) until issuance of the policy paper. Subsequent guidance to staff is limited to personal exchange of experience.
Streamlining of processes				
Streamlined, delegated approval. Waiver of the project concept note step, normal environmental and social safeguard due diligence. Single document/ approval for multiple countries.	Permitted omission of Programme Concept Paper and related attachments and inter-departmental review if "one AsDB" team formed. Board consideration period shortened to one week.	Creative 6-4-24 approval. Fast-Track procurement arrangements were adopted for all SPRP projects using simplified procurement modalities.	The World Bank introduced flexibility through a number of measures. Multiple waivers for projects in areas where the Bank does not have a physical presence.	Used waivers to the normal procedures. No institutional changes in the decision-making process.

93. As also shown in Box 2 above, process efficiency, measured in terms of the time between initiation of the dialogue with the Government and Board approval, as well as that between approval and disbursement, varied across countries and between the first set of emergency loans and the subsequent economic recovery loans. As shown in Table 7 and Figure 3, the COVID-19 loans were processed much more rapidly than the other

loans to the same country. The acceleration is best illustrated by the loans to China and India. The variance in the elapsed time across countries is mostly a reflection of the time taken by the required in-country processes. It is noteworthy that the first loan to China was approved within 40 days of the initiation of the dialogue between NDB and the Ministry of Finance.

Table 7: Elapsed times to first disbursement (Number of days)

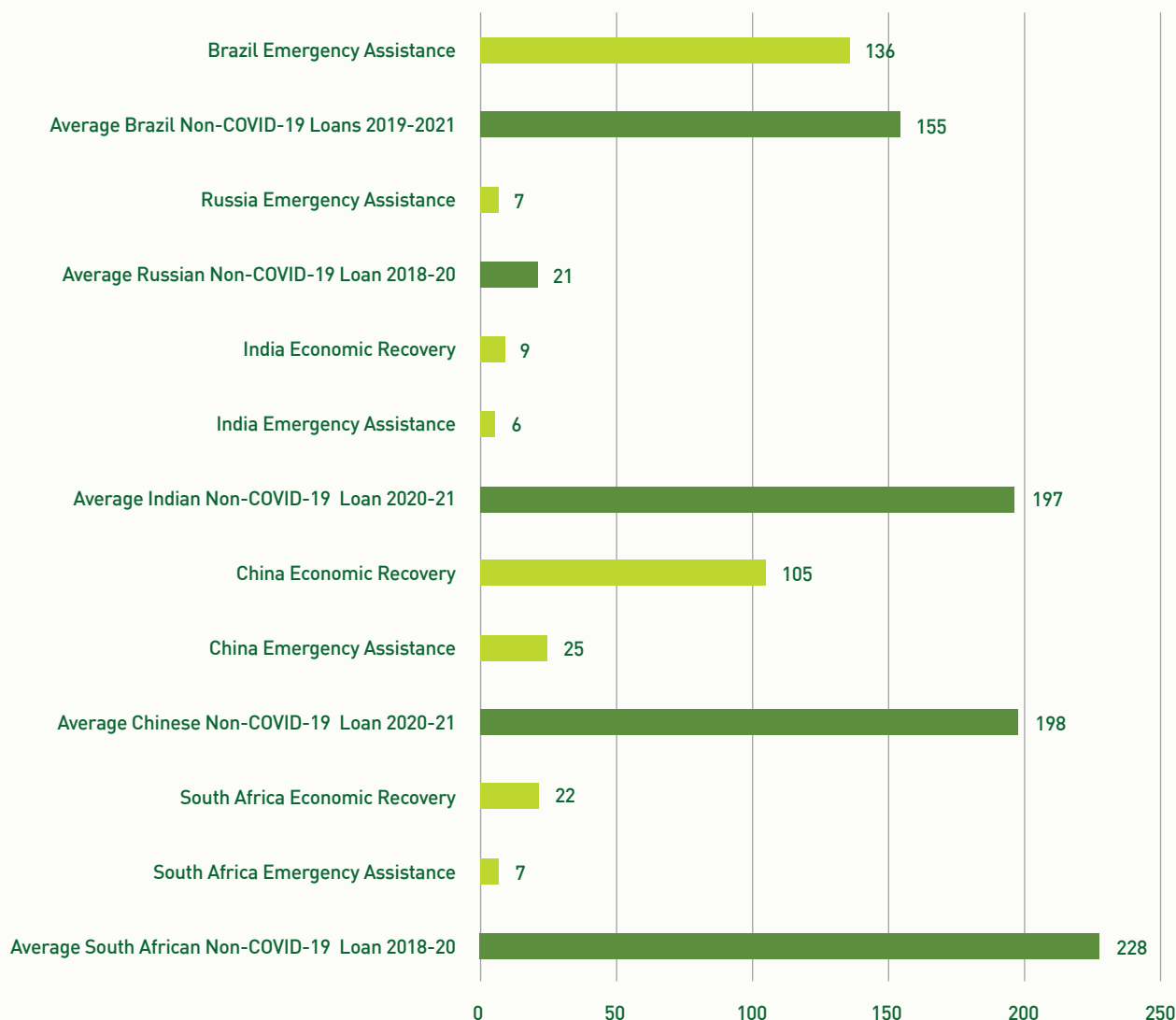
Loans	Approval to signing	Signing to effectiveness	Effectiveness to first disbursement
Brazil Non-COVID-19 Loans 2019-21 Average	534	53	155
Brazil Emergency Assistance	157	22	136
Brazil Economic Recovery		Signature pending	
Russia Non-COVID-19 Loans 2018-20 Average	268	37	21
Russia Emergency Assistance	264	0	7
India Non-COVID-19 Loans 2020-21 Average	129	22	197
India Emergency Assistance	5	0	6
India Economic Recovery	5	0	9
China Non-COVID-19 Loans 2020-21 Average	83	80	198
China Emergency Assistance Loan	1	3	25
China Economic Recovery Loan	20	0	105
South Africa Non-COVID-19 Loans 2018-20 Average	473	5	228
South Africa Emergency Assistance	24	0	7
South Africa Economic Recovery	67	0	22

Source: NDB PDBs

94. Rating. In conclusion, the evaluation assesses **Efficiency** as **Moderately Successful (4)**. While the Bank responded expeditiously, and the Board, Management, and staff illustrated a high degree of commitment, the efficiency assessment is affected by a number of factors, including limited formal guidance for staff during the project life cycle and insufficient attention to systematic

knowledge sharing across NDB design teams in different countries. At the same time, the Bank's approach was efficient with respect to the time and level of staff effort required to respond. Most importantly, the evaluation questions the tenor of the loans, which affects the Bank's broader effectiveness in terms of the availability and management of its resources.

Figure 3: Effectiveness to first disbursement (Number of days)



Source: NDB PDBs

> Impact

95. The evaluation of the programme impact was expected to address: (i) the contribution of the NDB loans to strengthening the Government's ability, institutional capacities, and social infrastructure (in particular, hospitals and other medical facilities) to combat the pandemic; (ii) the programme's specific impact on poor and vulnerable groups including women; (iii) its contribution to sustaining government social protection programmes; and its short-term economic impact.
96. **Brazil.** According to the PDB, the programme was expected to safeguard and improve the living conditions of vulnerable populations affected by the COVID-19 outbreak and facilitate socio-economic recovery in Brazil by supporting the Government's social protection programme of basic emergency assistance through supporting the maintenance of minimum income levels for informal, self-employed and unemployed workers.
97. *Mitigate Social and Economic Losses and Quick Recovery of the Economy:* The programme was expected to contribute to the Government's emergency efforts for minimising further social and economic loss, ensuring that strong fiscal

support was in place to combat the outbreak, protecting priority public investment projects implemented in 2020, and helping the economic recovery of the country. It was expected to have a low cost to the public treasury with strong economic benefits, and stimulate the economy from the bottom up, consequently stimulating the country's services sector. It was expected to contribute to women's economic empowerment and gender equality to enhance access to education for the most vulnerable populations. The programme was expected to benefit about 19.2 million families currently under the Bolsa Família Program. Cash transfers provided under Program have strong positive spill-over effects on the education of beneficiaries.

98. *Containment of Further Transmission:* The programme was expected to provide direct support in containing COVID-19 and safeguarding health conditions, enabling informal workers to sustain their income while adhering to stay-at-home measures and maintaining social distancing. Additionally, it aimed to enhance access to food and health-related goods and services for the most vulnerable families.
99. The Government's final report provides the result of third-party studies assessing the impact of the Emergency Aid Programme (AE) partly supported by the NDB, of which the conclusions are presented in Annex 7. The main findings of these studies could be summarised as follows: the AE provided crucial income support to informal workers and low-income households, lifting some 23 million individuals – around 10% of the total population – out of the extreme poverty range; the AE more than offset the pandemic's negative impact on poverty and income inequality, at least temporarily; the poorest and least developed regions and the poorest households were effectively targeted by the AE and the most impacted by the programme.
100. Some lessons learned, as highlighted in the final report, may contribute to enhancing the Government's ability to face pandemics in the future:
 - i. AE enabled the registration of a part of the population so far non-identified by the social protection programmes.
 - ii. Implementing such a complex programme brought to light several technological possibilities that proved viable and attractive for the registration and processing of people.
101. This programme also allowed for learning from the point of view of banking on an important portion of the population with guidelines related to financial education and options such as microcredit.
102. The PCR corresponding to this loan, which would have allowed us to know the extent to which the Bank shares the perception of the positive impact of the Brazilian Emergency Programme it supported, was not available to the evaluation team.
103. Bank staff interviews confirm that the programme's technological aspects helped strengthen the institutional capacity to reach the unbanked and verify their eligibility.
104. Compared to the expected impacts identified in the PDB, the final report confirmed the programme's effective protection of the incomes of the poor categories of the population from the COVID-19 crisis. It even improved income distribution compared to the pre-crisis situation in 2019. The report is less explicit about the economic impact due to this massive increase of purchasing power (compared to the expected loss) in the poorest areas that have probably been spent rapidly by the beneficiaries, thereby protecting the market of local suppliers of goods and services. The relative economic weight of the programme in the poorest areas suggests that it was probably the case. The report does not provide information about the impact on the economic empowerment of women, access to education, and virus transmission containment due to better access to health-related goods and services.
105. **Russia.** The PDB chapter on impact assessment does not identify any expected impact for this programme. According to the final report, "The payments were universal to relevant healthcare workers. A total of 13.97 million people with COVID-19 received care in medical facilities, and the programme supported by the loan led to an improvement in the capacity and resilience of the public health sector as part of the response of the Government of the Russian Federation to the COVID-19 pandemic." The PCR for this loan was not available to the evaluation team.
106. **India.** As per the PDB, the programme implemented in India was expected to:

- i. Minimise loss of human capital by improving healthcare infrastructure, equipment, and services as well as the preparedness for the outbreak;
 - ii. Contain the onward transmission of COVID-19 through the procurement and deployment of critical healthcare resources, including disease detection facilities, isolation chambers, personal protective equipment, and surveillance systems;
 - iii. Mitigate social and economic losses and quick recovery of the economy by contributing to augmenting the fiscal capacity of the Government to meet the requirements of the stimulus plan and minimise the duration of the disruptions in social and economic activities.
107. The final report does not report on the impact of the NDB-supported programme.
108. The draft PCR rated the impact of the programme as “highly successful” for achieving the intended development and lasting impact. The programme contributed to:
- i. Minimising the loss of human capital and containing onward transmission of COVID-19 through improving testing capacity, increasing the number of hospital beds and isolation facilities, providing guidance notes, and training hospital staff in accordance with WHO guidelines; and
 - ii. Mitigating social and economic losses and contributing to quick recovery of the economy. As per IMF data, the year-on-year contraction was moderated to (-7.4)% in 2020_Q3. Growth returned to positive territory in 2020_Q4 and 2021_Q1, at 0.5% and 1.6%, respectively, compared to much more pessimistic expectations in the absence of a programme.
- 109. China.** The PDB shows the expected impact at four levels:
- i. Minimisation of loss of human capital by enhancing the capacity of local hospitals, the speed of diagnosis, hospital services for support and intensive care, and the volume of medical resources;
 - ii. Containment of onward transmission of COVID-19 through timely containment measures, protection of doctors and nurses, enhanced effectiveness and efficiency in public health monitoring, enhanced management and coordination of the hospitals, communities, centers for disease control and prevention, and government agencies, enhanced effectiveness of well-informed decision-making on outbreak-related issues by key stakeholders, and improved awareness and knowledge of the public on COVID-19, its prevention measures, and development of the outbreak;
 - iii. Mitigation of social and economic losses by partially offsetting adverse fiscal impacts on government budgets and sustaining fiscal support to curb the outbreak and make priority public investments; and
 - iv. Quick recovery of local economies.
110. In its final report, the Government of China assessed the programme's impact as follows:
- In Hubei Province**
- i. The pressure on anti-epidemic funds was greatly relieved.
 - ii. The shortcomings of public health emergency treatment were effectively bridged.
 - iii. The construction of the grassroots public health system was significantly improved.
 - iv. The leveraging effect of the loan funds was fully utilised.
- In Guangdong Province**
- i. This project was practical by supporting the purchase of anti-epidemic materials and equipment, construction of emergency hospitals, anti-epidemic emergency technology research, development of an anti-epidemic emergency information management system, and implementation of nucleic acid testing, which allowed the control of the spread of the COVID-19 epidemic and achieved significant positive social impact.
 - ii. The medical waste generated in this project was treated in a standardised and harmless manner according to domestic regulations, making it environmentally friendly.
 - iii. The successful implementation of this project was expected to effectively contain the epidemic in Guangdong Province, indirectly helping in the prompt resumption of work and production and positively impacting the province's economy and society.

In Henan Province

- i. The renovation, expansion, and allocation of new equipment of relevant laboratories in centers for disease control and prevention and medical institutions improved their emergency surveillance, sampling and testing, diagnostic and treatment, prevention and control capabilities.
 - ii. The reconstruction and expansion of related medical institutions provided a strong guarantee for patient admission.
 - iii. The procurement of related equipment ensured accurate diagnosis and treatment.
 - iv. The allocation of negative pressure ambulances and emergency protective supplies improved the overall transport capacity of suspected cases.
 - v. Research will be conducted on emergency management systems and mechanisms, including collaborative services for preventing and controlling major infectious diseases and safeguards for major public health emergencies.
111. The NDB draft PCR assessment of the programme's impact aligns with the Chinese Government's perception. It describes the impact of the Chinese response programme in the three selected provinces based on the same structure as the one adopted in the PDB. It rates the programme impact as "highly successful."
- 112. South Africa.** According to the PDB, the NDB-financed programme aimed to address the most critical needs - healthcare and social safety net - of the South African population, particularly vulnerable groups. The priority was social support.
113. Sub-programme I (Healthcare): The extent to which the programme would contribute to supporting healthcare was left open, depending on the evolution of the needs. "Healthcare will be governed by the development of the pandemic in South Africa and, in the best case, may be confined to the measures already implemented by the Government of South Africa." Given this, the sub-programme's design and monitoring framework does not have quantifiable targets. It implies only monitoring the most important indicators to be included in the completion report on the programme. Only the above-mentioned outputs and outcomes were identified in the PDB.
114. Sub-programme II (Social Safety Net): The programme was expected to impact the income of 43% of South African households over six months, helping them weather the loss in earnings caused by the economic lockdown.
115. The Government provided the Bank with a final report which does not describe the impact of the Bank-supported programme. The PCR was not available to the evaluation team.
116. In summary, providing evidenced assessments of the impacts of national programmes proved to be difficult and did not provide the necessary base allowing IEO to assess the overall impact of the Fast-Track Emergency Policy, indeed:
- i. One country (Brazil) provided a positive assessment of the impact of the national programme supported by convincing external studies;
 - ii. Two countries (China and Russia) consider that the respective loan-supported programmes had a positive impact but did not provide evidence supporting these statements; and
 - iii. Two countries (India and South Africa) did not report on the impact of their programmes in the final reports sent to the Bank.
- 117. Rating.** The limited coverage of impact in the governments' final reports and the lack of availability of several NDB PCRs severely constrains IEO's ability to make a thorough and convincing assessment of the impact of the loans. While the secondary documentation and data available and reviewed note some positive impacts, the evaluation's judgement is that the **Impact** of the loans is between **Moderately Successful (4)** and **Successful (5)**. However, this assessment should be taken with caution given the limitations noted above, as well as the methodological challenges of attributing impact solely to the relatively small proportion of funding provided by the NDB to combat the pandemic.

> NDB Performance

Quality at Entry of Bank Interventions

118. Quality at entry is an important dimension in the assessment of MDB loans and includes evaluability as a critical component (see Box 3 below).

Box 3: Quality at entry and evaluability

Quality at entry of an intervention is a term used by the MDBs to assess the design and preparation of the intervention before its approval and implementation. Depending on the priorities of the Bank and the result of the negotiation of the beneficiary country, it is based on various criteria, such as relevance, feasibility, potential effectiveness, efficiency, ex-ante risk appraisal, management, and in some cases, sustainability, environmental and social safeguards, etc. Intervention quality at entry is an important dimension of the MDB Common Performance Assessment System since it notably impacts the likelihood of achieving the results and impacts expected by the parties involved.

Evaluability of the intervention is increasingly perceived as an essential dimension of its quality at entry. The evaluability of an MDB-supported intervention is an assessment of the extent to which it can be evaluated reliably and credibly. It is based on various dimensions or conditions, such as the clarity and logic of the theory of change, the quality of the objectives' formulation (SMART objectives), and the related indicators and targets (logical framework). Evaluability also depends on the availability and quality of relevant data, the interest and capacity of stakeholders to use the evaluation findings and the feasibility and value for money of conducting an evaluation. The evaluability of the project, programme, or policy is important because it affects the design and quality of the evaluation and, therefore, its credibility and potential influence. It also helps to identify and address any gaps or weaknesses in the project's design, monitoring and evaluation framework, and stakeholder engagement. Evaluable interventions allow for better accountability and contribution to experience-based knowledge accumulation.

119. The Fast-Track Policy is expected to provide the criteria the loans had to meet to align with the policy. The analysis of the PDBs shows the extent to which these criteria were identified at the appraisal stage of each loan and which evaluability dimensions were taken into account.

120. Beyond the usual criteria of relevance, effectiveness, and efficiency, interventions carried out in the framework of the policy must also meet specific criteria related to the emergency context and to the principles in NDB's General Strategy, including fast-track processes for approval and implementation timelines, country specificity, flexibility, and collaboration with multilateral development partners.

121. The policy does not include any statements about the conditions to be met to ensure the evaluability of the interventions, such as the formulation of a theory of change, the inclusion of SMART objectives, or a systematic logframe. The policy is not very demanding in terms of monitoring, evaluation, and reporting: it only requests a "Consolidated report within the period agreed with the Borrower in a form to be mutually agreed and of such scope and in such detail as NDB shall reasonably request, confirming that (i) the use of the loan proceeds is strictly in compliance with the loan agreement or more detailed information if so required by the NDB and (ii) the impacts of the programme have been achieved as provided by the loan agreement." Monitoring and reporting are left under the responsibility of the Borrower.

122. Box 4 shows that most comparable MDB's project appraisals were more systematic and met more conditions of evaluability, which notably allowed them to support the complex national COVID-19 response programmes with a more diversified array of instruments.

Box 4: Conceptualisation of results and instruments used

AfDB	AsDB	IsDB Group	World Bank	NDB
Conceptualisation of results				
The Note on Results Tools provided a strong conceptual framework with a clearly articulated goal and outcomes. Guidance included a simplified project-level results framework and a list of results indicators.	Consistent identification of indicators across the main sectors. Provided flexibility to adapt to challenges in the pandemic context.	No conceptualisation of results specific to the 3R ("3Rs" Framework: 'Respond, Restore, and Restart') Results were planned for within each project, with each project containing a theory of change and results logframe.	Health-focused SPRP included a theory of change covering short-term and medium-term results as well as impact. Used standard results template.	Dialogue was conducted ex ante about the expected results of the national programmes to which the NDB was ready to contribute. Limited conceptual work, such as a general theory of change, justifying the link between the Bank's planned allocation of resources and the expected outcomes of the policy.

Instruments used				
Full range of Bank instruments for Sovereign operations <ul style="list-style-type: none"> • Program-based operations, Crisis response budget support • Investment operations • Results-based financing • Restructured operations 	Deployed wide range of instruments: <ul style="list-style-type: none"> • Countercyclical (budget) support • Disaster-related financing • Investment lending • Non-sovereign financing • Technical assistance 	Instruments necessarily limited to those compliant with Sharia'h principles.	The World Bank deployed a mix of Development Policy lending and investment lending. World Bank also accelerated the disbursement of some ongoing development policy operations and other operations.	A "new" instrument, the emergency programme loan (CEPL), was introduced and deployed to contribute to national programmes.

123. Programme Documents to the Board. Most PDBs include a chapter titled Context and Relevance, which justifies NDB's contribution to the government response as integrated into the Borrower country strategy, aligned with the Bank's Mandate and General Strategy, implementing the Fast-Track Policy, and, when relevant, building on the experience of the previous loans launched as part of this policy and contributing to specific Sustainable Development Goals. They include implementation arrangements that consider the policy provisions for ensuring timeliness and adaption to the country-specificities.

124. The PDBs also include a short section on monitoring and reporting, aligned with the policy, which only includes a final report which should confirm that: (i) the use of the loan proceeds is strictly in compliance with the Loan Agreement; (ii) the intended development results of the programme have been achieved; and (iii) appropriate internal auditing has been conducted based on applicable law, national policies, and regulations, without any further specification except the reference to a Design and Monitoring Framework (DMF), annexed to the PDB to facilitate the monitoring and reporting.¹⁹

125. All PDBs include a chapter on expected impact assessment, often referring to the programme's contribution to the Sustainable Development Goals. None of the PDBs includes a theory of change, but as shown in Table 8, the Design and Monitoring Frameworks, annexed to all PDBs, except for the two loans formulated before the approval of the policy, formally include some of the elements that usually comprise a logframe. In practice, however, evaluability was often hampered by the absence of a theory of change and the vague definition of some of the objectives, making it challenging to assess the causal relationship between the different levels of objectives. In most cases, the identification of assumptions and risks is limited to assuming that the resources will be used in compliance with the scope of the programme and counterpart funds mobilised accordingly. In terms of reporting mechanisms, as noted above, neither the policy nor the loan agreements are very demanding. The quality of the monitoring data and processes is not known by the Bank, which relied on the borrowing governments for this purpose.²⁰

¹⁹ Except for the emergency loans of China and India, formulated before the approval of the policy.

²⁰ The AsDB Guidelines for preparing and using a design and monitoring framework (www.adb.org/sites/default/files/institutional-document/32509/guidelines-preparing-dmf.pdf) provide useful guidance to maximise the contribution of DMFs to the evaluability of interventions such as, notably, result-based lending (p 44).

Table 8: Design and monitoring frameworks

Design summary	Brazil		Russia	India		China		South Africa	
	E	R	E	E	R	E	R	E	R
Expected impact	Y	Y	Y	No DMF	Y	No DMF	Y	Y	Y
Expected outcomes									
Objectives	Y	Y	Y		Y		Y	Y	Y
Indicators	Y	Y	Y		Y		Y	Y	Y
Targets	N	Y	N		P		N	P	Y
Reporting mechanism	Y	Y	Y		Y		Y	Y	Y
Assumptions/risks	Y	Y	N		Y+		Y	N	Y
Expected outputs									
Objectives	Y	Y	Y		Y		Y	Y	Y
Indicators	Y	Y	Y		P		Y	Y	Y
Targets	Y	Y	N		N		N	N	Y
Reporting mechanism	Y	Y	Y		Y		Y	Y	Y
Assumptions/risks	Y	Y	Y		Y+		Y	N	Y
Total inputs to the programme									
Objectives	Y	Y	N		P		P	N	Y
Indicators	Y	Y	N		P		P	N	Y
Targets	Y	Y	N		P		P	N	Y

Source: NDB PDBs

E: Emergency programme, R: Recovery programme

Y: Yes (Present), N: No (Absent) P: Partially present

Y+: indicates the case in which some more work has been done to identify Assumptions/Risks

126. Fiduciary Provisions. In line with the NDB policy, the general approach to fiduciary requirements was that of full reliance on country systems, as this was explicitly recognised in the legal agreements. This applied to financial management, procurement (where envisioned), and auditing provisions. In the case of the first

five emergency loans, reporting was limited to a final report to be provided by the Government or Implementing Agency within six to nine months of the completion of the loan. While the scope and coverage of the reports varied markedly, all Borrowers' final reports confirmed compliance with the agreed requirements.

Quality of Implementation Support and Supervision

127. The Bank considered that the nature of the emergency programmes, involving disbursement in a single tranche, did not require any implementation support and/or supervision of the nature provided under investment loans implemented over several years. For the emergency loans, the Borrowers were not required to produce any progress reports but only to submit intermediary progress reports requested but not provided for some of the recovery loans. The final reports were of very different coverage but, in all cases, followed the scope agreed upon at the outset and reflected in the legal agreements.
128. It is worth noting that the reorganisation within operations, approved by the BoD in December 2020, shifted the operational responsibility after approval to the regional offices. As a result, the operations teams that prepared and appraised the loans had limited contact with the programmes after loan approval. The team leaders who had prepared the loans were not involved in preparing the PCRs. Simultaneously, the regional office's specific role and responsibility for supervision during implementation support does not appear to have been clarified. The interaction between headquarters and the regional teams, as well as across regional teams, was informal, ad hoc, and uneven.
129. The two available Bank draft PCRs rate the Bank's performance as "highly successful." While the speed of the Bank's response, particularly for the first two loans, is noteworthy and reflects the dedication of the staff, the rating is not justified in light of the factors discussed, particularly the project's quality at entry and the quality of their supervision by the Bank. This clearly reflects the insufficient objectivity and quality of the Bank's self-evaluation system, an area that requires attention and urgent improvement.
- 130. Rating.** In conclusion, the initiative by the Bank to embark on such an important programme and provide a rapid response was commendable, as also reflected in the statement of the BRICS leaders at the Moscow Summit (see Box 5 below). At the same time, there were weaknesses in other dimensions, such as the quality at entry, the limited attention to evaluability, the very scant attention to monitoring, supervision (even remotely) during implementation, learning and cross-fertilisation of experiences, the uneven interactions between the regional teams and headquarters, and the severely delayed preparation of PCRs. Accordingly, IEO assesses **NDB's performance as *Moderately Successful (4)***. The dimensions noted above are important and would have enabled the Bank to be better prepared for an eventual pandemic or global crisis of a similar nature in the future.

Box 5: Excerpt from XII BRICS summit Moscow declaration

We commend the NDB for providing financial resources to reduce human, social and economic losses caused by the coronavirus outbreak and to restore economic growth in the BRICS countries. We underscore timely measures taken by the NDB in order to combat the COVID-19 pandemic and its consequences embodied in the Emergency Assistance Programme aimed to provide up to USD 10 billion for Emergency Loans to its member countries.

> Borrower Performance

131. All of the interviewed NDB team leaders pointed to the strong support provided by the Borrowers and their IAs during the preparation of the loans. The few draft PCRs prepared by the Bank so far rate the Borrowers' performance as "highly successful."
132. In most countries, the NDB funding was included as part of a wider pool of domestic and international funding to combat the pandemic. And, as noted earlier, in Brazil, India, and South Africa, governments made efforts to coordinate NDB assistance with the assistance of other development partners to improve outcomes.
133. In some cases, Borrowers paid attention to targeting vulnerable individuals and poorer regions. In most cases, governments established task forces or cross-ministerial working groups to manage the entire funding to combat the pandemic. Governments closely monitored funding and activities and prepared final reports for the NDB emergency loans; however, the quality of these reports varies across countries. Of their own initiative, and beyond the context of NDB loans, governments and related institutions have prepared numerous studies and identified lessons on combating the COVID-19 pandemic, which will serve as important public knowledge for the future.
- 134. Rating.** The NDB Board of Governors and BoD - composed of high-level decision-makers and representatives of the Borrowers - provided active engagement and prompt support to the approval of the Fast-Track Policy and loans, as well as the agreement to streamline some steps in loan processing; these dimensions are considered part of Borrower performance. All in all, therefore, IEO assesses **Borrower performance as Successful (5).**

Summary of Ratings

135. Table 9 below provides a consolidated overview of IEO's ratings of the NDB loans to combat the COVID-19 pandemic.

Table 9: Overview of ratings by IEO

Evaluation criteria	Ratings
Relevance	Moderately Successful (4)
Effectiveness	Successful (5)
Efficiency	Moderately Successful (4)
Impact	Between Moderately Successful (4) and Successful (5)
Overall Programme Achievement	Moderately Successful (4)
NDB Performance	Moderately Successful (4)
Borrower	Successful (5)

136. **Overall programme achievement** is a consolidated evaluation criterion which is informed by the ratings of relevance, effectiveness, efficiency, and impact. It provides a holistic and integrated assessment of the programme. As such, IEO assesses the programme as **Moderately Successful (4)** in spite of the successful rating for effectiveness. While on the positive side, the loans were timely and useful for the Borrowers; numerous factors have driven down overall

performance, for example, the limited attention to more focused targeting of NDB assistance, the undifferentiated approach to funding volumes in each borrowing country, the loan terms and total volume of the facility and their implication for the sustainability of NDB finances and availability of funding for regular operations, limited attention to learning, cross-fertilisation, supervision, and the timely preparation of PCRs.



6

CONCLUSIONS, LESSONS AND RECOMMENDATIONS

- › Conclusions
- › Lessons and Recommendations

> Conclusions

- 137. Neither the Bank nor the borrowing countries were prepared to address a crisis** of the magnitude, dynamics, and complexity of the COVID-19 pandemic. They were not ready, at the same time, to have to: (i) support the health infrastructure and services under high pressure to save millions of lives; (ii) protect the stability of the economy under threat at the household, enterprise, local, national and international levels; and (iii) mitigate the related social impacts, especially for the most vulnerable groups.
- 138. Nevertheless, the Bank acted with great agility and speed to support the response of its member countries.** The Bank acted in the first instance through waivers to its existing policy framework and through the approval and application of the Fast-Track Policy. The Bank and its BoD indeed illustrated a high commitment to supporting its member countries in combating the pandemic.
- 139. The implications for the Bank's finances and availability of funding for regular operations were not analysed rigorously when approving a facility of USD 10 billion for the COVID-19 response loans.** The evaluation analysis found that the number and volumes of approvals to other priority sectors decreased significantly during 2020-2022. While the evaluation believes that a major MDB like the NDB did well to step in and finance the COVID-19 emergency loans, it could have better assessed the impact of the magnitude of such a facility and the trade-off of not potentially having the required resources to fund regular operations.
- 140. Moreover, the terms of a 25-year repayment period following a five-year grace period for eight of the nine approved loans may not be justified by the nature of NDB support and the economic situation and debt servicing capacity of the five Borrowers.** The concern of the evaluation related to the rather generous terms offered by the NDB is about the timeliness of reflows and the implications thereof to the Bank's financial model and availability of funding for regular operations. A review of similar loans made by other MDBs (AfDB, ADB, IDB, and the World Bank) to India, Brazil, and South Africa shows that these loans typically had shorter repayment periods – in one instance, as low as two years.
- 141. The Fast-Track Policy goes beyond NDB's Mandate and Strategy 2017-2021 but respects the main underlying principles.** The relevance of the policy in addressing the COVID-19 crisis is based on the experience of concrete interventions negotiated with two Bank member countries but not supported by an explicit theory of change. The policy by now has expired, and the Bank is again without a policy on response to a global crisis akin to the COVID-19 pandemic.
- 142. The Bank did not take a differentiated approach to allocating funding among the five borrowing members.** Loans of the same amount were made available to each of the five countries without considering the specific situation of each country. This was probably done to treat each country equally, which was also an easy way to generate consensus and respond rapidly under pressing circumstances. Nevertheless, IEO believes a more differentiated approach should have been considered in determining the loan amounts, considering each country's needs based on the pandemic situation in the concerned country.
143. The evaluation also recognises that the decision to allocate the same amount of funding may have been due to the absence of a transparent resource allocation mechanism at the NDB, a common feature in other MDBs and international financial institutions. Given the nature of the Bank, IEO is aware that the Bank largely follows the principle of broad national equilibrium and equal treatment of member countries, aiming to achieve a balanced distribution of its lending among founding members. This assumption also underpins the Bank's financial model/projections.
144. Despite the aforementioned, IEO believes the lack of a transparent, relevant, and commonly agreed resource allocation mechanism exposes the Bank to risks of arbitrary decisions in the allocation of its funding. This could become a constraint in the context of a growing borrowing membership base and an institution with finite resources.
- 145. The interventions are relevant to the Bank policy and the countries' needs and priorities.** The five borrowing countries started to address the crisis when the Bank intervened, which allowed it to support their responses through quick-disbursing

loans. In most cases, these loans retroactively financed elements of the first national responses, meeting the general priority of the Borrowers for timely, rapid disbursements. The objectives and specific implementation procedures of the nine programmes were aligned with the Governments' priorities and targeting policies and built on existing programmes. They were also aligned with the Bank's Mandate, Strategy, and specific Fast-Track Policy. However, unlike other MDBs, the NDB based its support on one single type of instrument – the Emergency Programme Loan embedded in the Fast-Track Policy. Other MDBs deployed various instruments, including policy-based lending and investment lending, to address different aspects of the crisis. Finally, while some loans in some countries included specific attention to vulnerable groups and poorer areas, many did not. Moreover, vulnerable groups were not clearly disaggregated by category or prioritised for assistance. This is particularly important as NDB assistance should also aim to help reduce inequalities in more general terms, especially at times of such crises as the COVID-19 pandemic.

- 146. The emergency programmes supported by the Bank are assessed as effective.** However, (i) the fact that the necessary monitoring processes and the final assessments of the implementation and results of the programmes were exclusively under the control of the Borrowers, (ii) the uneven quality of the Government's final reports, and (iii) the fact that the preparation of the Bank's own PCRs have been significantly delayed and only draft PCRs, not validated by IEO, are available for just two loans at this stage, limits the capacity of the Bank to identify what has supported or hampered the effectiveness of the programmes and draw lessons from its experience to help member countries to better address future crises.
- 147. Despite the lack of preparedness, the Bank responded to the crisis with great timeliness and the required human and organisational resources. Still, procedures were not clearly documented, and processes were implemented on an ad hoc basis.** The elapsed time between the different stages and between project approval and first disbursement was variable but much shorter than for the non-COVID loans provided to the same countries. The Bank's operations support staff showed flexibility and dedication to supporting each other. However, unlike the practice at some peer organisations, no written guidance, templates for results frameworks and

implementation reports, or systematic learning procedures were put in place to support NDB operations teams. The exchange of information and lessons across the five operational teams and member countries benefitting from the loans was limited and informal. While this might suffice in a small organisation, a formal system for cross-fertilisation of lessons and experiences will be necessary as the Bank grows.

- 148. NDB demonstrated its willingness to coordinate with development partners.** Governments showed clear leadership in that field to encourage coordination, manage it directly, or consider it unnecessary, depending on the case. Insufficient coordination between partners was never identified as an issue hampering the design and implementation of the programmes. However, the evaluation did not find much evidence of concrete dialogue between NDB and other development partners, especially in exchanging lessons and experiences during implementation and beyond.
- 149. Impact assessments carried out by the Borrowers were of variable quality but, when available, generally positive.** Three of the borrowing countries assess impact positively; however, only one of them provides evidence based on independent studies to justify its assessment. The remaining two borrowers do not assess the impact of the parts of their response programmes supported by the Bank. Therefore, the impact-related information basis is too narrow to allow IEO to build a convincing assessment of the impact of implementing the Fast-Track Policy. This is why only the perception of the impact of some of the programmes by the corresponding borrowing countries is presented here. These perceptions are important from a summative point of view. However, except in the case of Brazil, which published interesting impact analyses, the Borrower perceptions do not provide elements that would allow the Bank to draw sufficient lessons to better address future crises.
- 150. The quality at entry of the programmes meets many of the quality criteria requested by the Fast-Track Policy. However, many conditions of evaluability were not met.** In line with the policy and the loan agreements, the supervision of the implementation of the programmes and the monitoring of results by the Bank was minimal. Unlike in comparable MDBs, many of the conditions of evaluability were not applied when designing and implementing the interventions ruled by the Fast-Track Policy, and the Bank's

reporting and analysis of results was limited and significantly delayed after the programmes closure. The Bank is, therefore, unable to learn much from its first experience of supporting its member countries' responses to a global pandemic. This limits its capacity to be better prepared to address comparable crises in the future.

- 151. There appears to have been a lack of clarity with respect to the specific role and responsibility of regional offices for supervision during**

implementation support following the “handover” from the headquarters-based operations team. This, combined with the lack of interaction between the teams after the handover, creates a risk of discontinuity in the Bank's interaction with and any support required by country counterparts. Nevertheless, the interactions between NDB headquarters and its regional offices will be further analysed as part of the forthcoming evaluation synthesis report on the Bank's decentralisation which IEO will prepare in the near future.

> Lessons and Recommendations

- 152. Lesson 1:** Addressing significant global crises such as the COVID-19 pandemic is now widely recognised as a priority for MDBs/International Financial Institutions, United Nations agencies, and other development partners. NDB faces a fundamental decision on extending its mandate to include support for member countries' response to significant global crises and putting in place a suitable crisis response policy.

- 153. RECOMMENDATION 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 a wide range of significant global crises. The crisis response policy should include accompanying provisions and streamlined processes to enable rapid and effective support to member countries' response to the crisis. It should provide for the deployment of the Bank's full toolkit of instruments to tailor support specifically to the country context and phase of the crisis. This could include quick disbursing lending for the short-term emergency response followed by investment projects in the recovery/resilience building phases to ensure consistent long-term support. The policy should cover special features such as adaptation of its instruments and related loan terms and conditions, consistent with the Bank's financial architecture, to be responsive to the member countries' needs, fiduciary requirements, and retroactive financing. The policy should clearly specify that in crisis situations, the Bank will proactively ensure adequate support and funding is provided to marginalised and vulnerable communities and women in poorer regions

affected by the crisis. In support of the policy, the Bank should build the required staff capacity, such as in health, among others, and adapt the Bank's organisation, instruments, and procedures to enable a rapid response to crises and sustain partnerships and coordination platforms between the crises to enable rapid reactivation at times of crisis. This could include a shared crisis watch/early alert system. The policy should be prepared in the near future and presented to the Board in 2024 for approval, along with IEO's written comments thereon.

- 154. Lesson 2:** This evaluation has revealed that a differentiated approach needed to be considered in determining the volumes of Bank funding to countries and individual loans. It also noted the significant risks to the Bank in the absence of a resource allocation mechanism, which is a common feature in other MDBs and International Financial Institutions and even more important in the context of a growing borrowing membership base and finite resource availability.
- 155. RECOMMENDATION 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 over a period of time (e.g., over a three-year cycle), building on good practices in other organisations and taking closely into account its own development context and financial model. Such a mechanism will help improve transparency, credibility, and predictability of funding for Borrowers and guide better pipeline development.

- 156. Lesson 3:** The Bank would progressively improve the relevance and effectiveness of its response to future crises by improving its capacity to accumulate knowledge from its own experience and comparable institutions and by facilitating its sharing within the Bank and with its member countries. Moreover, enhancing the effectiveness of crisis-related knowledge management would significantly increase the Bank's credibility and influence within its member countries and as an active participant in the "Multilateral System" during crises. Indeed, most evaluations carried out at the national and international levels show that insufficient knowledge at the beginning of the crisis was a critical constraint hampering the speed, accuracy, and coordination of the responses to the COVID-19 crisis.
- 157. RECOMMENDATION 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. Such a strategy would also strengthen the Bank's visibility and reputation as a credible player with relevant knowledge to share beyond its funding. A more coherent Knowledge Management Strategy would also guide NDB's global policy engagement, south-south cooperation, and communication activities. The need for such a strategy and an action plan is also strongly supported by three other IEO evaluations completed in 2022-23, where limited attention to knowledge management and learning constrained programme delivery and effectiveness. Therefore, such a corporate strategy should be developed and presented by NDB to the Board for approval, together with IEO's written comments.
- 158. Lesson 4:** An institutional set-up to provide guidance and support to the Bank's operational teams and facilitate learning and exchange across teams can enhance the effectiveness of the Bank's response during crisis situations and in other multi-country programmes.
- 159. RECOMMENDATION 4:** Set up an institutional arrangement to support operational teams preparing operations when implementing specific multi-country programmes, such as that for COVID-19 response; provide guidance and templates that are specifically tailored to the programme; and ensure exchange of knowledge and experience across teams and systematic knowledge accumulation through systematic bank-controlled monitoring and evaluations. The arrangement could be an institutional "anchor" or focal point responsible for providing any required support/guidance and ensuring learning, such as by convening an inter-departmental working group.
- 160. Lesson 5:** The need for a rapid response, such as in crises, raises the likelihood of putting the quality at entry of Bank operations and of the related monitoring and reporting processes and products at risk, jeopardising the capacity of the Bank to learn from and to report on its crisis-related operations.
- 161. RECOMMENDATION 5:** Ensure that all quality at entry requirements are met for operations requiring rapid response in the same way as for other Bank operations. This includes, among other factors, appropriate choice of loan instrument with terms and conditions tailored to the Borrower's economic situation and the Bank's financial requirements. It involves adhering to standard fiduciary requirements, evaluability conditions, including well-founded theories of change, logframe or results frameworks, including SMART objective indicators and targets, and systematically presented monitoring systems within the PDBs. The Bank should also have a say on the quality of the data provided by the monitoring system, produce timely high-quality IEO-validated PCRs based on clear and enforced guidelines, and carry out frequent evaluations of its interventions to address crises.

7
ANNEXES



> Annex 1: Note of the Senior Independent Advisor, Dr. José Graziano da Silva¹

Background. I am pleased to provide my independent report on the evaluation by the NDB Independent Evaluation Office (IEO) and reflections for the way forward. I was involved in the evaluation as an external peer reviewer and requested to review the draft evaluation approach paper and, thereafter, the draft final report and provided my comments to IEO. This report is based on the final evaluation report prepared by IEO, which has taken into account my comments and those made by member countries and NDB Management.

I believe IEO has prepared a credible and timely evaluation report, which will be useful to the Bank and its member countries, particularly to be better prepared for future pandemics and emergencies. I commend the NDB Board of Directors for agreeing to conduct this independent evaluation, given it is essential to document and share the experience and learn lessons for the future. At the time of writing my report, I had not seen the 'NDB Management Response,' but I am sure NDB Management will take the findings constructively and encourage the Management to implement the evaluation recommendations in a timely manner.

General Comments. The evaluation made an effort to cover the NDB COVID-19 response programme, including the Fast-Track Policy, with specific emphasis on the first five Emergency Programme Loans to support the COVID-19 response in NDB's five founding member countries. In the first semester of 2020, NDB responded with emergency loans to China and India, followed by approval of the Policy on Fast-Track Emergency Response to COVID-19 to assist the five governments in its efforts to combat the pandemic outbreak and a subsequent COVID-19 Emergency Programme Loans (CEPLs) in 2021 to support actions to support the effort of recovery in the five countries. In fact, only China, India, and South Africa Governments provided some information about the use of the CEPLs. The consultations with Russia about the priority measures to be supported by the second COVID-19 Loan were not finalised before February 24, 2022. And the loan for Brazil was not signed by June 30, 2023.

I believe it is justified that IEO could not make an adequate assessment of the second set of loans related to the CEPLs. This, however, should not exempt the NDB from the need to conduct a further independent evaluation at an appropriate time. It is

very important that the assessment of the emergency part is complemented with the assessment of CEPLs that bring together the structural measures taken by concerned countries in their recovery efforts. An additional evaluation will make it possible to evaluate not only the efficiency of the entire programme, but also the coherence and continuity of the emergency actions to combat COVID-19 by the governments that were the subject of the initial Fast-Track.

Having said that, I believe it will be opportune to hold seminars in each of the five countries, bringing together the main actors involved in the process of combating COVID-19, with the aim of exchanging views and discussing lessons from this set of emergency loans and structural measures taken. This will also improve the information received and feedback from the countries, given that the current assessment was based largely on documents available in the NDB and reports from the countries themselves, which were of variable quality, and on some interviews with Board members and NDB staff.

In continuation to the above, I believe interviews indeed are an efficient instrument to obtain more information to complement the limited data and documentation on results and information on lessons and experiences currently available. However, it must also be considered that interviewing some individuals of the same nationality of countries that benefitted from the loans may question the reliability and objectivity of the feedback provided, especially if such individuals were involved in the design and implementation of the loans. Therefore, it is even more important to complete the evaluation of the two sets of loans based on a wider set of data, information, and feedback, which will offer the opportunity to further assess the quality of evidence collected by IEO on the emergency loans used in this evaluation. This is also important in light of the "skeptical" manner in which some governments treated the pandemic at its outset, as was the case in Brazil and China, a fact that was widely reported at the time.

Moving on, I fully support the main conclusion of the IEO report that "Neither the Bank nor the borrowing countries 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."

1 Former Director General of the Food and Agriculture Organization of the United Nations and Director General of the Zero Hunger Institute.

Without a doubt, NDB's agility - and even boldness - in granting loans for a topic that was not part of its mandate and priorities deserves to be highlighted. But for this reason, the problems faced and underlined by IEO should not be dismissed with justifications for the rush or unpredictability of the situation faced at the beginning of the crisis.

Therefore, it is very important to highlight that the present evaluation carried out by the IEO managed to balance its approach in the sense of raising the main issues identified and proposing fundamental recommendations for strengthening the Bank's activities and structures to face future global crises in multiple countries simultaneously. The five "lessons learned and recommendations" that end the report, if effectively and quickly implemented, will put the NDB on another level to face similar global crisis situations in the future.

The contribution that I can make as Senior Independent Advisor for this evaluation is to reinforce the key messages in this evaluation that are highly relevant, as well as point out some further reflections that are not sufficiently captured in the evaluation report.

Further Reflections. A first point that deserves to be underscored is related to the effective coordination established between the Multilateral Development Bank (MDB) and the United Nations system, whether at the global level or by the five member countries that received the loans. The IEO report seems to accept that what was possible was done given the circumstances, especially in the first moments of uncertainty, even before COVID-19 was officially declared as a global pandemic by the WHO in early 2020. But, the difficulty of coordination across multilateral organisations is a well-known fact, such as within the United Nations system across its various specialised agencies, funds, and programmes whose leaders are elected independently by their member states. Moreover, there are coordination challenges within individual organisations, including the WHO itself, where the regional offices have broad autonomy in relation to headquarters.

Therefore, despite the efforts made by top leaders of the United Nations in New York and WHO in Geneva, the first months of the pandemic were of great confusion with regard to the guidelines to be followed by member countries in the different regions. Some countries, like Brazil, even contested the proposed measures. This, however, does not eliminate the possibility that the NDB had good coordination with its peers and also with some of the governments that benefited from the NDB loans, but there is limited information in the evaluation report that supports a proactive stance by the NDB in this regard.

In my view, better international coordination is one of the fundamental issues to be included in the recommendations for future actions especially in cases of new similar pandemics which, according to the WHO itself, are increasingly likely to occur in the near and equally uncertain future. Therefore, it would be important for the NDB to establish formal mechanisms and rapid consultation protocols with its peers and also with the United Nations system, to improve the coordination of actions and even the realisation of joint actions in the future.

Therefore, one of the most important "lessons learned" is the realisation that no country or institution, no matter how powerful and prepared it was at the end of 2019/ beginning of 2020, could claim that it was able to face the challenges imposed by COVID-19 alone. Bilateral cooperation and even the internationalisation of the problem should have been the path chosen from the beginning, and this was not exactly what happened. Neither does the report underline the reasons that led the NDB to react in isolation with a prompt approval of the first loans to its founding countries, nor the mechanisms that were (or were not) used to establish a joint or at least coordinated action with its peers. But this seems not to have been the case since there is no mention in the report of joint financing attempts with other MDBs, for example, which would be a mechanism to at least minimize the risks involved and add existing expertise. The recommendation in this case seems obvious: to establish multilateral consultation mechanisms in emergency situations that allow for a quick joint response with other members of the MDB community and the United Nations System.

A second point that deserves further elaboration is the fact that most countries have used NDB loan resources as part of their "on-going programmes." If, on the one hand, this is perfectly justifiable given the emergency nature of the actions at the beginning of the pandemic, on the other hand, it is more difficult to assess the positive effect of these loans. The assessment carried out by IEO correctly highlighted that in some countries, the "on-going programmes" had objectives compatible with the general priorities of the NDB, such as strengthening those most in need and specific groups such as women, children, and the elderly. But it is not clear to what extent the NDB loans were able to effectively strengthen these objectives or even contributed to increasing the number of such beneficiaries. The IEO report recognises this issue in paragraphs 84-85, stating that – "No objective norms or generally accepted references are available to compare the results of complex policies addressing such a multi-dimensional and quickly evolving crisis. Benchmarking with other MDBs at that level is also difficult since

most MDBs do not assess the effectiveness of their contribution but, like in the case of this evaluation, the effectiveness of the national COVID-19 response programmes to which they contribute. The “country effect” is, therefore, likely to have more influence than the “MDB effect” on the effectiveness assessments presented in similar evaluations carried out by comparable MDBs.

The format and the content of the final reports produced by the five countries are very uneven. The authors of the available draft PCRs faced some difficulties in extracting the information needed to fulfil the requirements of their more standardised report, especially concerning the assessment of effectiveness. Further, the evaluation team did not have the opportunity to triangulate the above information with stakeholders directly involved in the implementation of the programmes.”

The conclusion, however, seems to be that this is not a relevant problem for the NDB since “the Policy and the Loan Agreements state that the provision of information necessary to assess the effectiveness of the programmes is the exclusive responsibility of the borrowing countries.” The recommendation that I would like to table is that within the new policies and operations that NDB will finance in the future in response to similar situations, the Bank should share the responsibility for monitoring and assessing the results and impact of its funding, and this should be clearly stated in design documents and loan

agreements at the outset. On its side, IEO should have a well-defined set of customised questions and indicators that can be used as a basis for their eventual independent evaluations. This would facilitate comparing and assessing design objectives with results at the completion of future programmes introduced for emergency responses by the Bank.

A third point to be considered in future emergency response loans is for NDB to consider complementing its loan funding with “grants” to civil society organisations involved in the process so that they can reinforce actions taken by governments. In the initial moments of emergency actions, most of the time, governments do not have “in loco” the necessary capabilities to act alone and could benefit greatly from cooperation with NGOs and other existing social organisations. This would also be a way of being able to later evaluate the effectiveness of the actions carried out to enrich the IEO's own assessment.

My final comment is that the evaluation would have benefitted from a better information base about what happened with the second “tranche” of loans. Nevertheless, the evaluation recommendations should not be considered of minor importance. Quite the opposite: the precarious situation experienced at the beginning of the pandemic in 2019-20 no longer exists today in the countries that received NDB loans. And the lessons learned are very important to pave the Bank's future actions to face similar situations in the future.

> Annex 2: Documentary Sources

External

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- World Bank Group (2020) **“World Bank COVID-19 Response under the Fast Track COVID-19 Facility World Region – Proposed Investment in IFC Fast Track COVID-19 Facility Chair Summary”**
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- World Bank Group (2022) **“Development Policy Financing Retrospective: Facing Crisis, Fostering Recovery”**
<https://documents1.worldbank.org/curated/en/558621648492783178/pdf/2021-Development-Policy-Financing-Retrospective-Facing-Crisis-Fostering-Recovery.pdf>

Internal

1. Emergency Programme Document to The Board for both loans in all five countries except for Russia, which only had one loan.
2. Loan agreements for all approved loans. Amendment to the loan agreement for the first South African loan.
3. Programme Summary for Public Disclosure for all CEPLs in all five countries.
4. Draft PCR for the Emergency Assistance Programme in Combating COVID-19 loans to China and India.

5. Government Final Report for the first loans to all five member countries.
6. Implementation Agency Final Report from Exim Bank and ADBC for the China Economic Recovery Loan
7. Government of South Africa Final Report (Partial) for one sub-programme of the Economic Recovery Loan.
8. Policy on Fast-Track Emergency Response to COVID-19.
9. NDB Data on CEPL Projects and Loan Dashboard.

Annex 3: Evaluation Framework (Questions, Criteria and Information Sources)

Evaluation question (EQ)	Justification	Judgement criteria (JC)	Indicators/sources
Relevance			
<p>EQ1. How adequate and strategic was the support NDB provided to the five countries, bearing in mind the emergency context?</p>	<p>These programmes must be aligned with the Bank's COVID-19 response policy and national COVID-19 response strategies.</p>	<p>JC 1.1 The NDB Policy on Fast-Track Emergency Response to COVID-19 is in line with the general mandate and strategies of the Bank, based on the relevant lessons learned by comparable MDBs which addressed previous health crises, and sufficiently flexible to adapt to the COVID-19 response strategies of the Member Countries.</p> <p>JC 1.2 The nine programmes supported by the Bank were designed based on diagnoses shared between the Bank and the Governments of the most urgent needs, country policies and institutional characteristics and capacities, and relevant lessons (if any) from previous crises responses in these countries.</p> <p>JC 1.3 The nine programmes were aligned with the objectives and applied the prescriptions of the Bank COVID-19 response policy (though this might not be entirely relevant for the loan to China, which was provided before the policy was put in place).</p> <p>JC 1.4 Were the loan amounts appropriate in light of the pandemic situation in each country?</p>	<p>Documents. Bank mission statement and relevant strategies; Government COVID-19 response strategies; five programme PDBs, loan agreements, and final reports.</p> <p>Interviews with Government representatives and corresponding Bank country staff and Task Managers.</p>

Evaluation question (EQ)	Justification	Judgement criteria (JC)	Indicators/sources
Effectiveness			
EQ2. To what extent has the Bank's programme achieved its objectives?	<p>Good knowledge and analysis of the overall effectiveness of the programmes at output and outcome levels are critical to drawing useful lessons from experience.</p> <p>All Member Countries have issued a final report as required by the loan agreements.</p>	<p>JC 2.1 Final reports data and analyses about the outputs delivered by the Bank's first five interventions and their contribution to the observed outcomes show that the programmes' objectives have been reached and provide elements to draw useful lessons.</p> <p>JC 2.2 Other sources, such as the Government's or other development partner reports, confirm that information and provide elements to assess the actual contribution and to draw lessons.</p> <p>JC 2.3 An analysis of the perception of the Bank's contribution effectiveness by Government representatives and NDB task managers confirms the final reports' findings and helps identify tracks to improve the effectiveness of the Bank's intervention effectiveness to address future pandemics.</p>	<p>Documents. Final reports issued by the Governments, internal Bank Project documents, including Completion Reports if available, and other Government and Development partners' analytical documents about the national COVID-19 response effectiveness.</p> <p>Interviews with Government representatives and corresponding Bank country staff and Task Managers.</p>
Efficiency			
EQ3. How adequate were the financial and human resources deployed by the Bank?	Other MDBs' COVID-19 response evaluations show that these institutions, surprised by the crisis's size and rapid evolution, struggled to dedicate enough budget and qualified staff to the response.	JC 3.1 The Bank was able to rapidly dedicate enough budget and qualified staff time to respond to the crisis.	<p>Documents. Bank's operations internal reports.</p> <p>Interviews of Bank staff and managers.</p>
EQ4. How appropriate were the terms and conditions, interest rate, grace, and repayment period of the loans?	This is the first time the Bank has supported its members' response to a major pandemic with a quick-disbursing programme loan. The terms and conditions of the loans should contribute to making them an efficient channel to support borrower countries' response to the crisis while being consistent with the Bank's capital structure and funding model.	<p>JC 4.1 The terms and conditions of the NDB loans were perceived as appropriate by the representatives of the borrower countries.</p> <p>JC 4.2 The terms and conditions of the NDB loans are comparable to those used for similar emergency response operations by other MDBs.</p>	<p>Lessons from similar programmes carried out by comparable MDBs.</p> <p>Documents. NDB COVID-19 response policy document, the five loan agreements.</p> <p>Interviews of Bank staff and managers.</p>

Evaluation Question (EQ)	Justification	Judgement Criteria (JC)	Indicators/Sources
EQ5. How coordinated was the Bank's response with the Governments, the interventions of other development partners, and with its other programmes in the countries?	Other MOs support the member countries' response to the COVID-19 crisis. Coordination between them contributes to the coordination of response to the crisis and better collective results.	<p>JC 5.1 The Government effectively ensures coordination between development partners' interventions.</p> <p>JC 5.2 The Bank was aware of other partners' interventions and took them into account.</p> <p>JC 5.3 The Bank ensured synergies with other partners.</p>	<p>Documents providing evidence of contradictions/ competing actions Active coordination by the Government and awareness of other partners' interventions.</p> <p>Interviews of Bank staff and managers and selected representatives of other MDBs.</p>
EQ6. How efficient were the Bank's processes?	The COVID-19 crisis required MDBs to quickly adapt their processes to improve their emergency interventions' timeliness and overall efficiency.	<p>JC 6.1 The Bank quickly adapted its processes and resource reallocation to allow for faster decision-making, preparation, and implementation of its interventions.</p> <p>JC 6.2 The Bank's response was timely enough to provide effective support when it was most needed.</p>	<p>Documents. Internal Bank documents and databases.</p> <p>Interviews with Bank staff and managers.</p>
Impact			
EQ7. Did NDB loans contribute to strengthening the Government's ability, institutional capacities, and social infrastructure (in particular, hospitals and other medical facilities) to combat the pandemic?	Assessing the impact of the contribution of NDB loans is useful to draw lessons for the future.	<p>JC 7.1 The Bank loan contributed to the strengthening of the Government's ability and institutional capacity to combat the pandemic.</p> <p>JC 7.2 The Bank loan contributed to social infrastructure, particularly health-related, as a part of efforts to combat the pandemic.</p>	Documents. Government final reports, Bank PCRs, and other relevant documents.
EQ8. Did the loans have a specific impact on poor and vulnerable groups, including women?	Assessing the impact of the contribution of NDB loans is useful to draw lessons for the future.	JC 8.1 The Bank's loans have a specific impact on poor and vulnerable groups.	Documents. Government final reports, Bank PCRs, and other relevant documents.
EQ9. Did the loans help sustain Government social protection programmes?	Assessing the impact of the contribution of NDB loans is useful to draw lessons for the future.	JC 9.1 The Bank's loan helped sustain Government social protection programme(s).	Documents. Government final reports, Bank PCRs, and other relevant documents.
EQ10. Did the economic recovery loans have a short-term economic impact?	Assessing the impact of the contribution of NDB loans is useful to draw lessons for the future.	JC 10.1 The Bank's economic recovery loans contributed to short-term economic recovery/ impact.	Documents. Government final reports, Bank PCRs, and other relevant documents related to economic recovery loans.

> Annex 4: Summary Table of Response and Policy Framework of Selected MDBs

Table 1: Response and policy framework of AfDB, AsDB, IsDB, and World Bank

AfDB	AsDB	IsDB	World Bank
<p>Identified USD 10 billion to be made available in 2020 for sovereign (USD 8.6 billion) and non-sovereign operations (USD 1.4 billion)</p> <ul style="list-style-type: none"> – Rapid, cost-effective, and targeted emergency budget support – Liquidity support to RMCs – Support without deepening debt burden – Support to RMCs and Private sector <p>The response was built upon engagement in policy dialogue based on the Bank Group's comparative advantage – legitimacy as an African institution.</p> <p>An underlying principle was to provide support without deepening the debt burden of RMCs.</p> <p>The crisis response budget support (CRBS) component of the programme relied on the crisis response provision of the Bank's 2012 programme-based operation policy.</p> <p>Guidance provided to staff through Guidance Note and notes on Results Tools.</p> <p>The guidance included a dedicated section on monitoring and reporting.</p> <p>The guidance generally focused on the preparation and processing stage and did not extend to the implementation phase.</p>	<p>Initial commitment of USD 6.5 billion extended in April 2020 with a total package of USD 20 billion for sovereign (USD 18.2 billion) and non-sovereign (USD 1.8 billion) operations.</p> <p>In December 2020, AsDB established the Asia Pacific Vaccine Access Facility (APVAX) with a resource envelope of USD 9 billion.</p> <p>The AsDB programme relied heavily on a number of adaptations of existing programmes and policies</p> <ul style="list-style-type: none"> – Establishment of a COVID-19 Pandemic Response Option under the Countercyclical Support Facility for budget support – Expanded Scope of Contingent Disaster Financing under Policy-Based Lending to include Health-Related Emergencies – Expanded scope of ADF Disaster Response Facility – Expanded AsDB Support to Private Sector for COVID-19 Response <p>The Bank provided guidance, including on results frameworks, through a number of memoranda.</p>	<p>Indicative financing of USD 2.3 billion from across the IsDB Group increased to USD 3.07 billion in December 2020, USD 3.55 billion in January 2021, and USD 3.64 billion in March 2021.</p> <p>Strategic Preparedness and Response Programme (SPRP):</p> <p>(R1) Respond: quick support to mitigate the immediate life-threatening health and socio-economic effects of the crisis.</p> <p>(R2) Restore: protecting enterprises and household assets to support the resilience of the socio-economic fabric.</p> <p>(R3) Restart: longer-term support to relaunch economic growth.</p> <p>The total amount of financing of USD 2.4 billion approved by IsDBG by March 2021 represents 65% of the committed amount.</p>	<p>USD 12 billion facility proposed in early March, extended to USD 14 billion shortly thereafter, and then greatly expanded in June. The ambition of the World Bank crisis response was to help client countries assist at least one billion people impacted by the COVID-19 crisis and to restore momentum on the Twin Goals of fighting poverty and promoting shared prosperity.</p> <p>3 stages:</p> <ul style="list-style-type: none"> – Relief – Restructuring – Resilient Recovery <p>4 thematic pillars:</p> <ul style="list-style-type: none"> – Saving lives – Protecting poor and vulnerable people – Saving livelihoods and jobs and, – Strengthening policies, institutions, and investments for rebuilding better <p>No new policies were put in place, but the Bank made use of provisions of existing policies that had never been used before:</p> <ul style="list-style-type: none"> – The Multiphase Programmatic Approach used earlier for multiple phases of a single country operation was extended to multiple countries. – The World Bank Capital Package provided for a buffer for crises – that was triggered for the first time. – World Bank asked for a shortening of the IDA cycle.

> Annex 5: List of Interviewees

Management

- Zhu Xian, Former Vice President and Chief Operating Officer

Operations Team Leaders

China

- Lusha Zhuang, Professional, NDB
- Yang Ji, Principal Professional, NDB

India

- Jianshi Yao, Principal Professional, NDB

South Africa

- Charmaine Kazamula, Finance Professional, NDB

Brazil

- Alexandre Takahashi, Senior Professional, Operations, NDB
- Marcos Thadeu Abicalil, Interim Director General, NDB

Russia

- He Tian, Senior Professional, NDB
- Anna Valkova, Principal Professional, NDB

> Annex 6: Effectiveness—Detailed Resources, Outputs and Outcomes

Table 1: Government of Brazil emergency measures in response to COVID-19

Project title	USD billion
Health prevention, preparedness and response	17.8
Social impacts	29.9
Economic impacts and protection of jobs	9.9
Fiscal impacts and support to subnational governments	27.1
Total	84.8

Source: Emergency Programme Document to the Board on a Proposed Loan of up to USD 1 billion equivalent to the Federative Republic of Brazil for Emergency Assistance Programme to combat COVID-19 in Brazil.

Table 2: Parallel financing sub-components by development agencies (USD million)

	NDB	IBRD	IaDB	KfW	CAF*	AFD	TOTAL	% of the MDBs' contribution
C1. Basic emergency assistance	1,000		600			120	1,720	43
C2. Bolsa Familia programme expansion		400	200	240		120	960	24
C3. Employment and income			200		350		550	19
C4. Unemployment benefit		600		180			780	14
Total	1,000	1,000	1,000	420	350	240	4,010	100

Source: Emergency Programme Document to The Board on a Proposed Loan of up to USD 1 Billion Equivalent to the Federative Republic of Brazil for Emergency Assistance Programme to Combat COVID-19 in Brazil.

* CAF: Development Bank of Latin America

Table 3: Basic emergency assistance programme effectiveness

	Objectives	Delivered/results
Inputs	Total budget USD 29.9 billion	National programme support to BEA: USD 29.3 billion.
Output ² total amount allocated to beneficiaries	National support to BEA (total): USD 23.8 billion to be allocated	The PDB shows R\$ 125.42 billion, corresponding approximately to USD 23.8 billion (BRL 5.2 = USD 1).
Outcomes	71 million people would get direct support of USD ranging from USD 115 to USD 345, of which 9.2 million families are headed by women. ³	38 million people were directly reached, of which 3.6 million women-led households. The total number of beneficiaries is estimated to be 66 million. ⁴
Programme effectiveness results/objectives		People directly supported: 38/71 = 53% Women-led households: 3.6/9.2 = 39%

2 Emergency Programme Document to The Board on a Proposed Loan of up to USD 1 Billion Equivalent to the Federative Republic of Brazil for Emergency Assistance Programme to Combat COVID-19 in Brazil, paragraph 44.

3 Ibid, paragraph 87.

4 Final Report.

Table 4: Announced components of the Government of Russia's response plan
(Amount in RUB billion unless otherwise indicated)

Area	Measures	Amount
Healthcare	Supporting health workers who are taking care of COVID-19 patients	139
	Transfers to regional budgets for protecting public health and preventing the spread COVID-19	47
	Pharmaceutical and medical production, including equipment for detection, prevention and treatment of epidemic diseases	25
Social safety net	Grants for children in low income families or with unemployed parents	203
	Grants for families with children under 16 years of age	305
	Support for the unemployed and individuals whose income has been significantly reduced	117
Support businesses	Interest free/low interest loans for businesses to pay salaries (up to 12 months)	705
	Reduction of interest payments of new loans and grants for salary payments and subsidy for businesses	120
	Six-month deferral of taxes and insurance payments for small and medium-sized enterprises (SMEs)	156
	Reduction of insurance premiums (based on the salary amount) by half in 2020 for SMEs	350
	Access to preferential loans and microfinance organizations for SMEs	972
	Support for regional guarantee organizations for SMEs	417
	Support for travel agencies and airlines in 2020	100
	Support for culture and leisure	4
Regional development	Concessional loans (one-year) for systemically important enterprises to maintain working capital	436
	General budgetary support to regions	380
Total		4,476

Source: Plan to Overcome Economic Consequences of COVID-19, version dated December 16, 2020, Government of Russia's website.

Table 5: Russia – Income support to health care workers

	Objectives	Delivered/results
Inputs	Total budget USD 1.88 billion	USD 5.7 billion
Outputs ⁵ total amount allocated to beneficiaries		Estimated to be the above amount less administrative costs which are unknown.
Outcomes	Estimated to be the above amount less administrative costs which are unknown.	1.3 million health workers supported. Average support: USD 4,400 – administrative costs.
Programme effectiveness results/objectives		Inputs: $5.7/1.88 = 300\%$ Outputs:? Outcomes:?

5 Emergency Programme Document to The Board on a Proposed Loan of up to USD 1 Billion Equivalent to the Russian Federation for the COVID-19 Emergency Programme, Paragraph 44.

Table 6: Outcomes of the India COVID-19 response programme supported by NDB

Area	Outcomes
Emergency response and health system preparedness	India has rapidly increased its testing capacity, and testing of about 468.2 million samples has been reported as of July 31, 2021.
	An "NHM Guidance Note on India COVID-19 Emergency Response and Health Systems Preparedness Package" was issued to states to plan their response by planning activities and utilising funds to strengthen the response.
	A total of 2.2 million health workers were provided with a life insurance coverage of USD 67,400 for a period of one year.
	100% district hospital doctors and nurses have been trained as per WHO standards of clinical treatment for COVID-19, out of which 61% are women.
	All districts report availability of isolation capacity in at least one hospital, including medical colleges.
	35 of the 36 States/UTs use the Integrated Health Information Platform (IHIP), and 36 states are using the COVID-19 Surveillance System Portal.
Multiple economic relief packages under the Atmanirbhar Bharat Abhiyan	A total of 206.5 million poor women shared an income support allocation of USD 4.17 billion, corresponding to 99.8% of the budgeted amount of this measure.
	Between 91 and 99% of the 166.7 million households targeted for distribution of food grains have been reached every month between April 2020 and July 2021, except for the period between December 2020 and April 2021. Similar results were obtained for pulse distribution.
	28.1 million poor senior citizens, widows, and people with disabilities received an ex-gratia payment of USD 13.5.
	95 million farmers received an advanced disbursement of USD 26.9.
	142 million gas cylinders were distributed to 75.6 million beneficiaries (94% of the target).
	5.4-billion-person days of employment were generated, of which 52% were to women.
Social security measures were allowed to 3.9 million workers for an amount of USD 346 million.	

Table 7: Outputs of the measures of the China COVID-19 response programme supported by the NDB emergency assistance programme

Measure	Output
Measures supporting the diagnosis and treatment of COVID-19 cases	The programme supported the construction and expansion of more than 70 hospitals and community healthcare centres in the three provinces.
	More than RMB 2.3 billion of the loan was used to finance the procurement of anti-epidemic supplies and medical equipment.
	Subsidies to 145,700 medical personnel and epidemic prevention workers.
	Renovation and expansion of laboratories of Centers for Disease Control and medical institutions.
	Provision of free nucleic acid tests.
Measures supporting the containment of COVID-19	Establishment of public health information systems.
	Improvement of video surveillance and checkpoints on the road network.
	Research and development activities in response to the pandemic.
	The programme supported 117 scientific research projects on pandemic prevention and control, including the research and development of vaccines.

Table 8: Outcomes of the China recovery loan

Outcome indicators	Unit of measure	Entity	Target value for the reporting period	Achieved/ forecasted values	Achieved/ target
1. Employment opportunities created or maintained	Units	EXIM	2,616	4,036	154%
		ADBC		40,730	
2. Incremental amount of salary generated for vulnerable people, in particular rural population	Million RMB	EXIM	32,900	203.9	620%
		ADBC		3,577.4	
3.(i) Number of companies supported; and (ii) Total amount of procurement from upstream and/or sales to downstream	Units	EXIM	12	14	116%
	Million RMB	ADBC	6,825.4	8,091.7	119%
4.(i) Volume of trade enabling infrastructure built; and (ii) Volume of the trade maintained or increased under the assistance of the programme	Million RMB	EXIM			
		ADBC		164.2	4,959.5
5. Key quantitative indicators for environmental protection and energy conservation sub-loans, such as emissions reduced, energy saved, and amount of medical wastes treated, etc.	Tons	EXIM	585,300 tons of standard coal saved	869,800 tons of standard coal to be saved per year; 1,984,000 tons of carbon dioxide less to be emitted; about 2,708.14 tons of carbon monoxide to be reduced; 2,257.67 tons of sulfur dioxide to be reduced; 357.63 tons of nitrogen dioxide to be reduced; 2,966.39 tons of nitrogen oxides to be reduced; 9,408.45 tons of soot to be reduced; 1,003,800 tons of domestic garbage to be incinerated annually; 219,000 tons of organic waste, 109,500 tons of sludge, and 3,650 tons of medical waste to be processed annually; leachate treatment station will be able to process 1,250 m ³ leachate per day; pollutions of surface and groundwater will be reduced.	Forecast/ Target: 149%
		ADBC			
6.(i) Number of small and medium enterprises provided financial support under the programme; and (ii) Revenue achieved by the small and medium enterprises under the programme	Units	EXIM	3	8	260%
	Million RMB	ADBC	317.4	1,272.6	Forecast/ Target= 401%
				4	615.6

Note: Under the Recovery Programme, batches of sub-loans were selected and assessed by the two above-mentioned IAs in supporting the Government's strategy in accordance with their respective mandates.

Exim Bank received a share of RMB4.9 billion from the NDB RMB7 billion loan to the Government and was identified as the Implementing Agency for the following sectors and activities:

- i. Trade finance and trade-enabling infrastructure;
- ii. Logistics industry such as warehousing, collection and distribution centers, transportation, and virus inspections in relation to logistic services;
- iii. Development of resilient health systems and health-related activities;
- iv. Environment sector;
- v. Renewable energy sector; and 21st Century Infrastructure such as 5G infrastructure, inter-city transportation and inner-city rail systems, data centers, and other innovative and digitalised infrastructure sectors under the Borrower's "New Infrastructure Initiative."

ADBC (Agricultural Development Bank of China) received RMB2.1 billion and was the Implementing Agency for the following:

- i. Agriculture-related manufacturing and processing, trade, storage, logistics, collection, and distribution centres;
- ii. Trade-enabling infrastructure for agriculture products;
- iii. Infrastructure in agriculture sectors and/or in rural areas;
- iv. Innovations in the agriculture sectors, including new technologies and modernisation of agriculture infrastructure; and
- v. Environment sector.

Table 9: Outputs of the China recovery loan

Output indicators	Unit of measure	Entity	Target value for the reporting period	Achieved/ forecasted values	Achieved/ target
1. Volume of incremental funding provided to the small and medium enterprises through the programme	Million RMB	EXIM	2,876.9	4,399.5	153%
		ADBC		311.2	
2. Number of companies supported under the 1st batch of sub-loans	Unit	EXIM	24	24	100%
		ADBC		9	

Sub-programme 1- Healthcare response to COVID-19

Table 10: Outcomes of the emergency loan provided to South Africa

Indicator	Performance 2020/21
Number of hospital admissions of COVID-19 patients	250,445 of which 136,214 in the public sector
Number of hospital admissions of COVID-19 patients in critical care	5,449 (public sector estimate)
Number of quarantine beds activated	9,992
Number of admissions into quarantine sites	17,730
Number of persons screened for COVID-19 by field workers	9,108,609
Number of COVID-19 tests conducted	4,307,390 tests
Number of confirmed COVID-19 cases	742,203 cases
In-patient case recovery ratio	79.4%
In-patient case fatality ratio	20.6%

Sub-programme 2- Social Safety Net

The total amount of increase in social grant spending between 2019/20 and 2020/21 is South African Rand 47.04 billion (USD 3.39 billion). This amount excludes administrative costs and applications in the appeal

process. Additional funding is allocated for 2021-22. This amount has been added to other sources to support 31 million targeted beneficiaries, including caregivers.

> Annex 7: Impact

Impact Assessment provided by the Government of Brazil

The Government's Final Report provides the result of third-party studies⁶ assessing the impact of the Emergency Aid Programme (AE) partly supported by the NDB.

According to the Final Report, the part of the Emergency Aid Programme, supported by the NDB, had the completion of regular payments in December 2020. However, Emergency Assistance is a public policy that was still in progress at the end of 2021, and similar benefits were still paid at the date of the production of this report. Despite this proximity to the period of regular granting of benefits and the continuity, even in 2021, with similar policies, which in a way represent a continuity of the policy, in different terms and contexts, several analyses and studies have already pointed to the effects of a policy of such magnitude. Either in terms of the proportion of the population affected or the values allocated in the policy. The AE provided crucial income support to informal workers and low-income households, lifting some 23 million individuals – around 10% of the total population – out of the extreme poverty range.

The number of beneficiaries reached 68.3 million beneficiaries, about one-third of the population. Adding family members, approximately 118.7 million people were impacted by the programme, 56.1% of the Brazilian population. Data from PNAD-COVID-19 show that 70% of households in the lowest decile received AE, accounting for 20% of total AE receipts, while the lowest three deciles received 47% of the total. During the first five months of the programme, transfers increased the average income of the poorest 40% by 19.8%, relative to pre-COVID-19 income indices.

Consequently, at least temporarily, the AE more than offset the pandemic's negative impact on poverty and income inequality. Inequality measured on the Gini index would have grown from 0.53 pre-COVID-19 to 0.58 post-COVID-19, mainly because Brazil's large informal sector was deeply affected by the pandemic. In the same line, the proportion of poor individuals would have increased dramatically from 6.7-14.6%, corresponding to 16 million individuals. Instead, with the AE, the poverty rate dropped to 5.45 and the Gini Coefficient to 0.5, both lower than the pre-COVID-19 level.

The Final Report refers to other studies on the social impact of the programme on the poorest categories of the population in the poorest regions. The estimated volume of support delivered by the programme for all states in the Northeast is more than twice the national weight, something also verified, in a similar proportion, when compared based on the mass of income from work. Municipal data evidence this trend by the fact that 80.4% of the 1,709 municipalities with a weight equivalent to 10% or more of GDP are located in the Northeast. This indicates that the poorest and least developed regions were targeted by the AE.

The report also provides elements to assess the cost of the overall programme. With an approximate cost of R\$ 332 billion (4.5% of GDP), the cost of the AE consists of more than nine years of the largest Brazilian social programme, the Bolsa Família Programme. According to studies by the Ministry of Economy, Emergency Aid managed to achieve a good allocation as it was concentrated on the most vulnerable population: 53% of emergency aid was allocated to the poorest 30% of households. In May, June, and July 2020, in terms of targeting, emergency aid only lags behind Bolsa Família, with 71.4% of beneficiaries concentrating on the poorest 30% of households.

Some lessons learned identified in the final report may contribute to enhancing the Government's ability to face pandemics in the future, such as the following:

- i. An important portion of the population that was previously not seen (captured) by social programmes and that evidenced economic and social weaknesses can, under certain circumstances, be the object of social policies. AE allowed the registration and knowledge of this portion of the population, with some registration data obtained by the cell phone application or website, but also with the use of database crossings. The implementation of such a complex programme brought to light several technological possibilities that proved to be viable and attractive for the registration and processing of these people. This experience could influence the design of other social policies.

6 Available in Completion Report with regard to COVID-19 Emergency Programme Loan.

- ii. This programme also allowed for learning from the point of view of banking on an important portion of the population. It opens a wide spectrum of possibilities for specific services for important segments of the population, with guidelines related to financial education and options such as microcredit.



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