

New Development Bank and Civil Society Engagement

Suresh Nanwani
Emerging Global Governance

Multilateral development banks have all experienced challenges in developing adequate let alone sufficiently robust modes for engaging civil society representatives as part of their strategic outreach. Each multilateral development bank (MDB) has devised its own approaches and models for engaging civil society organizations (CSOs), and some MDBs such as the World Bank, Asian Development Bank, and the European Bank for Reconstruction and Development have been at it longer than the newer MDBs, such as the New Development Bank or the Asian Infrastructure Investment Bank.

An established body of research and literature has emerged to study the quality and quantity of CSO engagement by the more established MDBs. This literature has developed metrics for comparatively assessing the CSO engagement by the respective MDBs. Examples are the [CSO Brochure issued by the World Bank](#) (2019), civil society briefs for member countries such as the [ADB's Civil Society Brief: Armenia](#) (2021), and [Working with the EBRD: A Guide for Civil Society Organizations](#) (2013).

What has received less attention, to date, is the CSO engagement by the newer MDBs. This essay offers a preliminary discussion of the New Development Bank's engagement of civil society and represents an initial attempt to examine how the Bank has engaged CSOs

over the past seven years, since it commenced business. It offers a comparative lens, by examining the modes which the more established MDBs have devised to engage CSOs, and the analysis draws largely on NGO reporting on the NDB's engagement of civil society. In the conclusion, I explore potential options for the Bank to strengthen its engagement with civil society organizations, as one way to help achieve its objectives.

The [New Development Bank](#) (NDB) commenced operations in July 2015 with its five founding BRICS (Brazil, Russia, India, China, and South Africa) member-countries, to provide financing infrastructure and sustainable development projects in the BRICS countries and other emerging economies and developing countries. In order to achieve its development mandate, the NDB highlights on its [website](#) that it is "always keen to listen, learn and collaborate with other MDBs, governments, financial institutions and social organizations."

In late 2021, after six years, the NDB admitted Bangladesh, the United Arab Emirates, Uruguay, and Egypt as new members. As of July 2022, over a period of seven years, it has approved 79 projects, and in the [NDB's General Strategy for 2022 – 2026](#), it expects to finance about another 80 already approved projects. With the new

member countries already formally joining and possibly other new members to be admitted in the next five years, the Bank's engagement with its stakeholders is expected to increase significantly.

From the start of the Bank's operations, engagement with "[stakeholders in the global development community](#)" has been highlighted by the Bank as the key element of its outreach, partnership and communications, and this can be seen particularly in its partnerships with national development and commercial banks in the BRICS (Brazil, Russia, India, China, and South Africa) countries: "development agencies in member countries, international organizations, development finance institutions, commercial banks, enterprises, non-governmental organizations, universities and think tanks." But the NDB has also entered into a broader range of partnerships and [lists current \(Memoranda of Understanding\) MOUs](#) with more than 30 entities including national development banks, multilateral development banks (MDBs), commercial banks, multilateral institutions and initiatives such as the Belt and Road Initiative, one enterprise (Russian Railways), and one academic institution (the Shanghai University of Finance and Economics). The one omission is MOUs with civil society organizations.

Civil society

Civil society organizations (CSOs) are arguably important stakeholders in the global development community. Active CSO engagement and influence in international development emerged in the 1980s and early 1990s such as involving the Environmental Policy Institute (now Friends of the Earth, US); the Environmental Defense Fund; the Bank Information Center (BIC); the Center for International and Environmental Law; the

World Economy, Ecology and Development (WEED); Urgewald; and Mekong Watch. CSO engagement by Northern donors and the MDBs started off as a Northern preoccupation (primarily in the US, Europe, Canada, Japan and Australia). But over the years, CSO engagement has become a global 'norm' of sorts across all continents, and especially where CSOs have established operations in developing countries. Some local CSOs in developing countries have associated themselves with international CSOs but some such as ActionAid India date back to the 1970s. AFRODAD – the African Forum and Network on Debt and Development – was founded in 1994 and it collaborates with EURODAD, and more recently, with Asia and Latin America platforms to further expand its activities. AFRODAD also partners with several Northern CSOs such as Oxfam UK and Bread for the World Germany. The Center for Poverty Analysis (CEPA), a think-tank, was set up in 2001 by professionals in Sri Lanka and its focuses on poverty-related issues. Civil society engagement has become a norm for international financial institutions, and seen increasingly as crucial for improving its operations, policies, and projects. This author argues that 'civil society' includes community-based organizations, civil society individuals and groups, social organizations, and nongovernment organizations, which can work for a public cause such as holding organizations accountable, ensuring greater transparency, contributing to crises mitigation solutions, and articulating and in some instances providing more open and inclusive forms of governance and decision-making processes in these organizations. I use this definition as it allows for the agency of individuals and groups (this inclusion is also reflected in the EBRD's terminology), and specifically highlights their work in inducing improvements in organizational policies, programs, projects, and operations.

In the 1990s, the term ‘non-government organizations’ (NGOs) was used more frequently, but over the past 30 years, the more inclusive term CSOs has been used as it better articulates the varied functions of these important non-state actors. In essence, CSOs are not government-based and are not monolithic entities. Their interests and activities are varied and diversified such as in the cases of think tanks, project implementers, media informants, advocacy watchdogs which scrutinize and influence institutions, service providers, researchers, or others such as humanitarian organizations fighting global poverty (such as CARE).

After a long journey in proving their contributions and marking their paths, the status of CSOs was formally recognized in the OECD-DAC-led international development community’s [“Accra Agenda for Action” \(2008\)](#), following the “Paris Declaration of Aid Effectiveness” (2006). The participants, including OECD donor countries, other donors, and MDBs agreed to conduct “engagement with CSOs as *independent development actors* in their own right whose efforts complement those of governments and the private sector”. (Paragraph 20 of the Accra Agenda for Action)

Response to civil society by multilateral development banks

The World Bank’s [webpage on “Civil Society”](#) emphasizes that the World Bank Group (WBG) works with CSOs “around the globe to create lasting solutions for people and planet. The WBG states that “to address poverty, conflict, fragility, climate change, inequality, and other crises, we need strong partnerships and collaboration.”

The European Bank for Reconstruction and Development (EBRD) provides a [“civil society engagement overview”](#) and defines the term to include “non-governmental organizations

(NGOs), policy and research think tanks, social movements, labor unions, community-based organizations, women’s groups, business development organizations and other socio-economic and labor-market actors, including individual activists.”

The European Investment Bank (EIB) provides in its [Guidance note for EIB Standard on Stakeholder Engagement in the EIB Operations \(2020\)](#) its definition of CSOs as follows: “any association of citizens that serves, supports or represents those citizens outside the public or for-profit sector, such as community-based organizations (CBOs), non-governmental organizations (NGOs), faith-based organizations, foundations, advocacy groups, think tanks, trade unions and social movements. They may or may not be registered with national authorities.”

The definition focuses on citizens whose associations need not necessarily be registered with national authorities. MDBs such as the World Bank and the four regional multilateral development banks (MDBs) – the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), and the Inter-American Development Bank (IDB) – have established CSO units as part of their organizational structure: Participation and Civic Engagement Group of the Social Development Department in the World Bank NGO; the Civil Society Center in ADB; the [Civil Society, Community Engagement and Social Innovation Division](#) in AfDB; the Civil Society Engagement Unit in EBRD; and the [Civil Engagement Team](#) in the Inter-American Development Bank (IDB).

MDBs have specified policies on engaging CSOs such as ADB’s [policy on “promotion of engagement with civil society organizations”](#) (2021) and AfDB’s [“framework for enhanced engagement with civil society organizations”](#) (2012). The ADB approved its initial policy on

cooperation with NGOs in 1998 and recognizing that the nomenclature had evolved beyond “nongovernment organization”, the NGO Center was renamed the “NGO and Civil Society Center” in 2005. Likewise, the EBRD renamed its “NGO Relations Unit” the “Civil Society Engagement Unit” in 2009.

NDB’s engagement with civil society

The NDB has also engaged CSOs since the start of its operations. The NDB has stated its intention to engage CSOs. The NDB’s first [General Strategy: 2017 – 2021](#), mentioned “civil society” three times in relation to three areas: relationships, projects and instruments, and approaches. The Strategy cites “NDB endeavors to build a relationship of mutual trust and cooperation with non-governmental organizations (NGOs). ... Such a relationship may evolve naturally and constructively, given NDB’s commitment to sustainable development and transparency. *Greater openness to NGOs, and more broadly to civil society, will encourage public discussion of the Bank’s activities, improving the quality of its operations and enhancing institutional credibility*” (emphasis added).

The words before the last sentence by the Bank to ensure project quality and institutional credibility are aspirational and somewhat ambiguous, such as “endeavor to build” and the relationship “*may evolve naturally and constructively*” (emphasis added). More precise commitment in the Bank strategy framework would help in promoting proactive engagement with civil society.

At the NDB’s first annual meeting in 2016, the Bank held a dialogue with CSOs, and after its second annual meeting in October 2017, the [NDB issued a press release](#), stating that it had consultations at the second annual

meeting in 2017 which “were attended by more than 30 experts and activists” and “NDB’s top management” and that the event “was aimed at improving mutual understanding between the parties, sharing experience and comments on the Bank’s policy documents as well as developing mechanisms for continuing an ongoing constructive dialogue”. The 30 experts and activists” included CSOs such as Vasudha Foundation (India), *China Dialogue*, Oxfam, and Conectas. Other parties at the 2017 annual meeting included representatives of civil society such as ActionAid India, AFRODAD, BRICS Feminist Watch, Center for African, Latin American and Caribbean Studies at O.P. Jindal Global University (India), Coalition for Human Rights in Development, Fudan University, Gender Action, Global Environmental Institute, Green Watershed, Greenovation Hub, Greenpeace East Asia, INESC, Landesa/Rural Development Institute, and South-South Cooperation Research and Policy Centre.

The CSOs, participated in discussions with the Bank that, according to the press release, covered “questions [such] as the Bank’s transparency, accountability and access to information, the Bank’s policies, environmental and social management, gender aspects of operations, the NDB’s General Strategy: 2017-2021, sustainable development, exchange of knowledge as well as other issues.” The press release concluded: “NDB is committed to enhancing its accountability and recognizes the importance of regular communications with representatives of civil society and non-governmental organizations.”

Yet over the past seven years, NDB’s engagement with civil society seems to have taken a different path from the established MDBs. The author agrees with Magalie Masamba in her [article \(2022\)](#) that that

“much more can be done to improve transparency and accountability” at the Bank, and I emphasize, in particular through better or more engagement with civil society.

How is the NDB actually engaging CSOs? Are CSOs actually provided opportunity to input into policy formulation or policy review, or be provided with information as per the Bank’s information disclosure policy, or other consultation activities that would enable CSOs to be relevant actors as stipulated under the Accra Agenda for Action?

A number of CSOs have raised concerns about the quality of the NDB’s engagement of civil society. For instance, as early as November 2015, 24 CSOs, including Vasudha Foundation (India), Conectas Direitos Humanos (Brazil), Rivers without Boundaries International Coalition (China-Mongolia-Russian Federation) wrote an [open letter](#) to the Bank, emphasizing there was “little to no public information regarding the Bank’s processes or plans for the development of operational policies and structures, and multiple requests for information to NDB’s public email address have received no response”. They further requested a dialogue with the Bank and called the Bank to establish “a mechanism for transparent communication with the public and meaningful engagement with civil society, especially those communities who stand to be impacted by NDB-financed activities”.

In the “[Policy Wayforward for the New Development Bank](#)” (March 2017) published by Vasudha Foundation (India) and Oxfam (India) to advise the NDB, the two CSOs state that “the policy formulation of the NDB has neither been transparent nor participatory. It seems to appear that the Bank did not have any public consultations with any set of stakeholders and particularly civil society groups while formulating its policies.” The

CSOs compare the practice at other MDBs such as the World Bank, ADB, AfDB, and IDB, on various policies including information disclosure, accountability mechanism, and environmental and social safeguards. The report also recommends more space for civil society at the Bank recommending that “the NDB should ensure it is reaching not just the well-known, big, internationally connected NGOs, but importantly the grassroots NGOs with close ties to communities, NGOs representing women’s rights, rights of persons with disabilities, indigenous peoples and other marginalized groups.”

In March 2019, Conectas issued a [joint statement](#) with 17 organizations that called on the Bank to organize public and inclusive consultations on the review of some of its policies, including the Information Disclosure Policy. A publication by *China Dialogue* in 2019 titled “[New Perspectives on New BRIC Bank: Views from Brazil, India and China on the New Development Bank](#)” stated in its foreword from the editor that “environmentalists and civil society groups, arguing for robust social and environmental safeguards so as not to ‘lock-in’ a new generation of high-carbon energy production, have found the Bank opaque, with no open channels for them to express their concerns about the impacts of projects.”

The [China Dialogue](#) article (2019) highlighted the concerns of Brazilian civil society organizations about the “absence of an official channel for dialogue with the Bank, low levels of transparency and clarity on its social and environmental policies, and the precedents this sets as the bank looks to expand and incorporate new members, are a concern for non-governmental and civil society organizations.” Paulo Esteves, director of BRICS Policy Centre research group, based at the Pontifical Catholic University (PUC) of Rio de Janeiro, was

quoted as saying, “there is no transparency with regard to how the processes of approving projects take place.” The article also cited Caio Borges, an attorney with Brazilian human rights NGO Conectas, who stated that “senior bank staff, including vice-presidents representing Brazil and Russia, have held conversations with civil society groups. But these occurred behind closed doors.” In the same article, Caio Borges mentioned that civil society organization The Coalition for Human Rights in Development had “demanded an official meeting with the NDB in order for the bank to clarify the basic development principles it supports” and that other banks provide “this opportunity for civil society groups” at their annual general meetings.

In June 2022, Oxfam South Africa and the Center for Human Rights, University of Pretoria published a [Discussion Paper on Transparency and Accountability Series, titled “Enhancing the New Development’s Bank practice of information disclosure – A Civil Society Perspective.”](#) This paper highlighted “concerns on how truly open the NDB is” in relation to the Bank’s Information Disclosure Policy where the issue of information disclosure has been a major concern in some communities facing challenges with projects financed or co-financed by the NDB, as well as CSOs and community-based organizations in the Southern Africa region. The paper argued, importantly, that “much more can be done to improve transparency and accountability within the NDB”, identified challenges faced with the use of the NDB online information portal, and recommended that the NDB needs improved procedures and an improved online platform.

In its second paper in [Transparency and Accountability Series, titled “Why the need for an independent accountability mechanism at the New Development Bank?”](#)

(June 2022), Oxfam South Africa and the Center for Human Rights, University of Pretoria highlighted the need for an accountability mechanism at the NDB where there are many projects being processed and implemented, and in view of the recent membership expansion beyond its founding members. Many MDBs have accountability mechanisms, including the World Bank, all the regional MDBs, and AIIB, and they recognize that communities should be given a voice in the process in policy formulation and in the projects affecting them.

The above cases suggest there may be a disconnect between the NDB’s self-stated commitment to pursue regular communications with civil society organizations, and the reality of the concerns expressed by 17 CSOs in their [joint statement, led by Conectas](#), expressing their collective concern about the lack of channels of communication with the Bank.

The CSO reports suggest the need to inquire further about whether or not the NDB’s strong start of engaging about 16 CSOs at the start of its organizational life has been sustained in subsequent years. That field research and more first-hand research on NDB-CSO engagement is required.

Emerging and future prospects

The NDB’s [website](#) states that the Bank is “committed to strengthening its communication with civil society, which is conducted in various formats, including regular meetings between the Bank’s management with representatives of civil society organizations during annual meetings, BRICS summits and other events, public lectures and discussions, as well as expert group meetings” and that the Bank “engages with stakeholders and welcomes inputs from civil society, which enable them

to play an active and constructive role at the project level, in accordance with the [Environmental and Social Framework](#) of the Bank.”

In the NDB’s second [General Strategy 2022 – 2026](#), the Bank commits to scaling-up development finance for a sustainable future. The main directions are spelt out in three areas: mobilizing resources, financing for impact, and institution building. The emphasis in these areas are “cooperation with development finance institutions” and with “partner MDBs” (financing for impact) and country membership expansion (institution building). Civil society is mentioned only one time in this strategy: “To adequately address grievances arising out of its expanding operations and to collect feedback from clients as well as individuals, communities, and civil society organizations (CSOs), the Bank will establish well-designed mechanisms that will supplement clients’ own grievance redressal mechanisms.” Nonetheless, this is a promising commitment from the Bank.

Drawing on the example of the established MDBs, other measures could be taken by the NDB to ensure further engage CSOs. For example, the NDB could adopt a civil society framework in its policies, as per the example of the World Bank and the established regional MDBs. The Bank could also set up a special unit that is dedicated to civil society engagement similar to that created by the World Bank and the regional MDBs. The current arrangement where CSO queries are handled by the communications department could be revised and dedicated and sustained resources should be allocated for CSO engagement, and to ensure that the input of CSOs is transferred and integrated in the Bank’s policies and lending operations.

Promising model for adoption

It is further suggested here that the NGO Forum on ADB, which serves as a ‘watchdog’ on ADB could be a useful model for the NDB. Interestingly, in its [2017 Annual Report](#), the NGO Forum on ADB stated that it considered its ongoing advocacy with AIIB since 2016 as a useful process for positioning itself as “the first international civil society coalition to officially engage with AIIB as part of its overall thrust.” The [NGO Forum on ADB](#) is an Asia-led network of 250 civil society organizations holding ADB and AIIB accountable to people and the environment. It has been active since 1992, and since 2016, has included oversight of AIIB in its activities.

The [website](#) of the NGO Forum on ADB states that it monitors the “[projects, programs, and policies](#)” of the ADB and the AIIB. The NDB has projects co-financed with ADB and AIIB and its current strategy states that the NDB intends to co-finance 20 percent of its projects with other MDBs. The NGO Forum on Asia could prove useful as a model for the NDB to engage directly with NDB.

Suresh Nanwani is Professor in Practice at Durham University, United Kingdom and Honorary Research Fellow at Birkbeck University of London. He holds a PhD in Organization Development from SAIDI Graduate School of Organization Development, Philippines. Dr. Nanwani is also a subject expert consultant for environmental and international law in the Green Climate Fund's Independent Redress Mechanism. He is coeditor of [The Practice of Independent Accountability Mechanisms: Towards Good Governance in Development Finance](#) (Brill Nijhoff, 2019) and author of [Organization and Education Development: Reflecting and](#)

[Transforming in a Self-Discovery Journey](#)
(Routledge, 2022, Open Access). He publishes
extensively on international governance and

accountability. He thanks Karin Vazquez for
her comments on an earlier draft of this
essay.