




The BRICS New Development Bank Strategy

A civil society perspective for truly sustainable infrastructure and transformative development cooperation





On the occasion of the **Second Annual Meeting of the BRICS New Development Bank**, we, the undersigned members of civil society, **urge the NDB to develop a comprehensive strategy capable of delivering sustainable and inclusive development.** This strategy must break away from development models that have failed to address the needs and priorities of our communities and have too often resulted in environmental degradation and growing inequality.

The NDB's mission is to mobilize resources for infrastructure and sustainable development. As a new institution created by five emerging countries which play an active role in global affairs, the NDB is uniquely positioned to deliver on its developmental mandate. We appreciate NDB's effort to bridge the gap between developing countries and the global financial architecture and to devise innovative financial solutions tailored to the specific needs of the Global South.

However, in order to promote a new kind of development and to really assist marginalized populations or unserved areas and respond to unmet needs in the developing world, the NDB will have to shift from a “do-no-harm” approach, towards an emphasis on **developing projects that explicitly aim to generate positive social and environmental impacts**, including social infrastructure (housing, education, sanitation, health, food and nutrition security, culture among others), off-grid energy solutions, and other projects targeted to meet the needs of vulnerable communities. The activities of the Bank should be geared toward supporting sustainable patterns of consumption and production, and inclusive, transformative strategies of growth.

The BRICS have shown a commitment towards the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. In the Goa Summit final declaration, the group welcomed “the people-centred and holistic approach to sustainable development enshrined in the 2030 Agenda and its emphasis on equality, equity and quality-life to all”.

Full incorporation of the BRICS leaders' political commitment to universally endorsed frameworks of sustainable development will require that the NDB do more than just reaffirm its intention to incorporate global best practices on social and environmental management, transparency and accountability. The NDB should **develop institutionalized mechanisms for meaningful engagement with civil society and develop clear sustainability criteria and performance targets** for its investments.

We offer the following recommendations for the future strategy of the NDB to help the bank in functioning as a **mechanism for the promotion of South-South cooperation, social justice, human rights and sustainable development** in the social, environmental and economic dimensions.

Priority Areas and Key Recommendations

1.

Inclusive and sustainable development

- Support inclusive, accessible development and focus on projects that explicitly aim to generate positive and social environmental impacts
- Be responsive to national and local development priorities by ensuring that projects reflect the public interest and involve meaningful consultation with affected communities
- Support transformative development, decent work, and economic diversification, providing opportunities for small-scale farmers and small, micro and medium-sized enterprises
- Ensure that infrastructure investments are of appropriate scale to provide development benefits given a full assessment of costs of externalities and cumulative social and environmental impacts

2.

Environmentally and socially sustainable infrastructure

- Prioritize investment in small-scale and renewable energy projects and in low-carbon, resource efficient, clean technologies that support climate resilience
- Avoid investments in fossil fuels or large-scale hydropower projects

3.

Governance and standards

- Develop clear sustainability criteria and performance targets
- Establish clear methodologies and processes for the evaluation and strengthening of country and corporate systems and make assessments available to the public
- Strengthen the policy framework to ensure consistency with international human rights and environmental norms and guarantee the application of the highest available standards
- Ensure rigorous and participatory due diligence, monitoring and evaluation throughout the life-cycle of projects
- Allocate necessary resources and align staff incentives with requirements of sustainable development and policy compliance
- Adopt a gender policy with commitments towards gender equality and women's rights

4.

Transparency

- Uphold the principle of transparency as rule, and secrecy as an exception
- Set out clear rules about the time and format of disclosure of information about institutional affairs and project design and implementation, in a manner understandable to local communities and in a timeframe that allows for them to impact decision making

5.

Participation and accountability

- Establish a civil society advisory committee, with representatives from affected communities, and ensure its involvement in strategy making, policy development, project design and selection, and in implementation
- Hold permanent public consultation process for the revision of relevant policies, including the Environmental and Social Framework and Access to Information Disclosure Policy
- Set up an independent accountability mechanism, with powers to make binding decisions
- Require clients to contribute to a remedy fund to address negative impacts

1.

Inclusive and sustainable development

NDB-financed activities should **support inclusive development** that benchmarks against development impacts and combats inequality. Projects should be gender-responsive, religion and culture-inclusive, appropriate scale solutions that increase access to affordable, quality, goods and services, especially for the most marginalized populations. Infrastructure development should make use of universal design to ensure accessibility for all, including persons with disabilities. NDB should go beyond the economic approach to development and integrate approaches aligned with human rights standards, namely economic, social and cultural rights (ESCR).

NDB-financed projects should **support transformative development**, sustainable industrialization, decent work, and economic diversification. They should ensure an equitable balance between the need for regional connectivity and the need for local sustainable development. Investments should support local procurement, providing opportunities for small scale farmers and small, micro and medium-sized enterprises in financing, design, construction and operations.

Development effectiveness requires democratic ownership and the systematic participation of civil society. NDB-financed projects should **reflect the public interest, promote meaningful participation by consultation with affected communities**, and be responsive to national and local development priorities.

The NDB should ensure that **large-scale infrastructure projects are selected only after a robust consideration of all alternative options**, are of an appropriate scale and are submitted to a full assessment of technical, financial, environmental, social, and climate risks, as well as in relation to their cumulative impacts to the local ecosystems.



2.

Environmentally and socially sustainable infrastructure

NDB-financed activities should **be environmentally sustainable and climate resilient**, prioritizing low-carbon, resource efficient, clean technologies that limit all types of pollution, support climate mitigation, and protect biodiversity and critical habitats. Projects should maintain or enhance landscapes and ecosystem integrity and functions by avoiding and minimizing adverse impacts and rehabilitating or compensating for any residual impacts.

The NDB should **prioritize investment in small-scale and renewable energy projects**, especially wind and solar, which often have less access to financing. The NDB should refrain from investing in fossil fuels or large-scale hydropower projects which bring significant adverse impacts for the climate as well as for the health and livelihoods of local communities. **Investment in renewables should always be preceded by sound environmental impact assessment and human rights due diligence** to avoid that they generate exclusion and violation of rights.

Any **NDB investment in energy needs to have a gendered analysis**, as dependence on fuel based economy has a greater impact on the health, safety and education opportunities for women.



3.

Governance and standards

The NDB should **strike a balance between efficient disbursement and the need to ensure robust social and environmental risk management**. A leaner structure should not come at the expense of NDB's responsibility to conduct its own due diligence, including environmental and social risk assessment and project monitoring, and to provide redress for affected individuals and communities.

NDB-financed activities should **support good governance** and combat corruption, while boosting the capacity of the public sector to deliver affordable, quality goods and services, to regulate in the public interest and to effectively manage social and environmental impacts. NDB-financed activities should ensure contract transparency and fair risk allocation between public and private investors, and limit the fiscal and debt burden on public agencies.

The NDB should prioritize strengthening of country systems to ensure sustainable development, greater country ownership, and robust social and environmental management. Any use of country or corporate systems must still ensure a minimum level of social and environmental protection, especially given the inadequacy of many country and corporate social and environmental management systems and in the context of an **alarming tendency in the developing world to roll-back national social and**

environmental protections in an effort to attract bigger and faster investments. Country systems should be evaluated in a transparent and participative process.

In corporate sector lending the NDB should demand that businesses directly or indirectly funded with NDB money **adopt the highest standards of responsible business conduct and carry out proper human rights due diligence**.

NDB-financed activities should **ensure a foundation of social and environmental protection**, through clear, transparent policies and standards consistent with international human rights and environmental norms, including protections for the fundamental rights and the occupational health and safety of workers in line with the eight International Labour Organization (ILO) Core Conventions, respect for land and resource rights and cultural heritage, strong protections around resettlement, including prohibition of forced evictions, and provisions for livelihood restoration. In case of conflict between standards, those which offer more protection to people and the environment should apply.

NDB must develop a gender policy with **strong commitments towards gender equality and women's rights**. Such policy should include gender differentiated impacts monitoring systems, including clear feminist and

gender equality indicators. It should also recognise and value reproductive and care work, and protect and promote decent work and sustainable forms of livelihoods and ensures women's unmediated right to own and control land, house, new technology and other productive resources.

NDB should develop a policy with strong commitments towards **culture and religion equality**. Cultural and religious diversity is a strength to be respected and used for the development of tolerant, cohesive societies.

NDB should **ensure rigorous and participatory due diligence, monitoring and evaluation** throughout the life-cycle of projects that measures and demonstrates projects' compliance with the institution's Environmental and Social Framework (ESF) and contribution to development, poverty reduction, and the public interest. NDB should provide for necessary environmental and social staffing, incentives and resources to ensure sustainable development and policy compliance.

The NDB should **ensure a gender balance in the composition of its governance bodies and internal staff**. In addition to advocate for women's rights and gender equality worldwide, it should put these principles into practice within its own structure.

4.

Transparency

NDB's transparency standards should be, in the minimum, compatible with the **highest available standards of access to information and disclosure** among multilateral development banks. This will require that NDB's policies and practices are crafted and implemented in a manner that is consistent with the principle of transparency as rule, and secrecy as an exception. Proper rules should be set out about the quality of the information, with time-bound disclosure requirements. Transparency obligations should extend to the final beneficiaries of NDB's funds, in cases where money is channelled through financial intermediaries.

The NDB should ensure that all relevant stakeholders, and in particular, affected communities, have access to all relevant information on NDB policies and projects that may impact their rights or interests in a manner and format that is understandable and in a timeframe that allows for them to impact decision making. Institutional and project documentation should be translated to the official languages of all the countries where it operates and, where applicable, to the languages of local communities.



5.

Participation and accountability

The NDB must **develop formal mechanisms for civil society participation in policy development**, project design and selection, and in implementation. A civil society advisory committee should be established within NDB's organizational structure, with representatives from communities directly or indirectly affected by the projects supported by the NDB in the countries in which it operates. The committee should be consulted in all the phases of policy formulation, strategy and operational planning, institutionalization, project selection, monitoring and evaluation.

Projects should be developed from transparent planning processes built on **meaningful consultation and participation of impacted communities and intended beneficiaries**, including disclosure of project related information and assessment and planning documents 120 days prior to project approval, **meaningful consultation of local communities, and free prior informed consent of indigenous peoples** as required by international law and best practice. Information should be made available in the languages of the communities directly or indirectly affected by the projects.

No development can occur when individual freedoms are curtailed and where there is an environment

of violence or intimidation against environmental and human rights defenders or those who raise concerns regarding development proposals. The NDB should work with member countries to **support an enabling environment for public participation in development** processes, in which people are empowered to engage in crafting their own development agendas and in holding their governments, donors, businesses, and other actors to account.

NDB should **require project-level accountability mechanisms and establish an independent accountability mechanism** that provide redress for individuals or communities which may be impacted by NDB-financed activities, with powers to make binding decisions and sufficient technical, financial and human resources to evaluate the NDB's operations against its own standards. These mechanisms should reflect the UN Guiding Principles on Business and Human Rights effectiveness criteria for non-judicial grievance mechanisms. Additionally, the NDB should require that clients contribute to an NDB (or third-party) administered contingency arrangement, such as a fund, insurance plan, or bond, to provide financial or other remedy in case negative impacts occur, without prejudice to the obligation of NDB and its clients to conduct proper due diligence.



Endorsing organizations

As of March 31st, 2017

African Forum and Network on Debt and Development – AFRODAD
Amazon Watch
Ambiente y Sociedad (Colombia)
Both ENDS
Brazilian Network for the Integration of the People (Rebrip)
BRICS Feminist Watch
Centre for Applied Legal Studies (CALS), Wits University
Centro de Estudos e Articulação da Cooperação Sul-Sul (Articulação SUL)
Coletivo Cidade Verde
Conectas Human Rights
Derecho, Ambiente y Recursos Naturales (DAR)
Ecologia e Ação (ECOA)
Economic Justice Network (EJN) of FOCCISA
Eco-TIRAS International Association of River Keepers
Friends of the Earth - US
Fundación para el desarrollo de políticas sustentables – Fundeps
GegenStromung – CounterCurrent
Green Alternative, Georgia
Greenovation Hub
Greenpeace Brasil
GT Infraestrutura
Indian Social Action Forum (INSAF)
Instituto Centro de Vida (ICV)
Instituto de Energia e Meio Ambiente (IEMA)
Institute for Socioeconomic Studies (Inesc)
International Rivers, Global
Jamaa Resource Initiatives, Kenya
Narasha Community Development Group
Oxfam
PLOTINA
Programme on Women's Economic, Social and Cultural Rights (PWESCR)
Projeto Saúde e Alegria
SOMO
Vasudha Foundation
WWF – Brasil

