

New Development Bank Country Partnership Plan

Owner: Operations Division

Version: 2016 V1

Approved Date: January 21, 2016

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Country Partnership Plan

Change Log

Revision Date	Chapter revised	Revision Details
[●] November 2016		

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Abbreviations

CPP	country partnership plan
NDB	New Development Bank
TA	technical assistance
VP&COO	Vice President and Chief Operating Officer

Country Partnership Plan (Draft Policy)**A. Introduction**

1. This policy guides the preparation of country partnership plan (CPP).

B. Objective of Country Partnership Plan

2. The objective of CPP is to align NDB's operations in a member country with the country's own strategic development priorities and needs, as well as, the strategic objectives of NDB's General Strategy. CPP provides the country context to help in determining project pipelines periodically. This helps determine the specific areas of development for NDB to focus its support, including the candidates for projects from member countries, and for the countries to mobilize counterpart resources for the NDB project pipeline. Also, this facilitates NDB's preparation of its corporate level financial and human resource plans.

C. Country Partnership Plan Formulation**a. Timing**

3. The period of coverage of CPP (normally 5 years) and the member government's planning/strategic/medium-term investment cycle should ideally be aligned. If the circumstances in a member country or in NDB so necessitate, the CPP may be revised before its actual period lapses. CPP's revision is not normally delayed beyond 5 years. Country partnership plans are prepared (i) before the expiry of the ongoing or commencement date of the intended the new CPP, and (ii) by the country team comprising staff with relevant sector and thematic expertise under the guidance of Vice President and Chief Operating Officer (VP&COO).

b. Country analysis

4. A good understanding of (i) development challenges and opportunities in the member county at the national, subnational, sector, and thematic level; and (ii) government's overall and sector level strategic priorities and its investment plans, facilitates preparing a well-informed CPP. This part of the background work will be based on the existing studies—done by development partners, national and international level think-tanks and agencies, and the government. As necessary, NDB may commission own studies in close consultation/collaboration with the member country government, national institutions, and other development agencies to

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understand the issues and expected future developments in the sectors and thematic areas of interest to NDB. In addition to sector, and thematic analysis, NDB may carry out, as required, operationally relevant assessments such as on (i) country systems relating to procurement, and environment and social framework; (ii) financial management issues; and (iii) private sector participation.

c. Country Partnership frame-work

5. Based on country analysis, the country team prepares a succinct operationally relevant country partnership framework paper to present its understanding of country's macroeconomic environment, public investment plans, and government's sector policy and investment priorities. The framework also identifies the opportunities and challenges for private sector participation, inclusive growth, and capacity development. Taking into account country analysis, the framework paper proposes NDB's approach to country operations during the CPP period. The framework paper also discusses (i) potential areas for regional and inter-regional cooperation among BRICS countries; and (ii) operational implications for procurement, environment and social issues. After an internal peer review and guidance, NDB Management approves sharing of the framework paper with the member government.

d. Consultations

6. The country partnership framework paper forms the basis for consultations with the member country government, designated national financial intermediaries, and other business partners. The team coordinates with other development partners on sector investment strategies to identify potential areas for cooperation, coordination of assistance, and co-financing. The focus of coordination with development partners is to look for opportunities to support a cluster of complementary activities to enhance the development effectiveness of the individual components. The country team reaches an understanding with the government on (i) the CPP's strategic approach and its sector, thematic, and geographical focus; (ii) sector roadmaps detailing investment plans, institutional and policy framework in the sectors of interest, and the lending and/or non-lending support needed; (iii) co-financing and coordination arrangements with other development partners; (iv) the country project pipeline for the initial CPP period; and (v) the outputs and outcomes of the CPP and its results framework.

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e. Country project pipeline and project identification

7. Country project pipeline is used to implement CPP. In preparing the project pipeline, the country team takes into account government's priorities, the annual ceiling on NDB support to the country, complementarity with other development partner's assistance, co-financing opportunities, and NDB's own strategic and operational imperatives. Based on consultations with the government and designated national financial intermediary(ies), the country project pipeline identifies firm/standby projects and technical assistance (TA) for the first year and proposed projects and TAs for the subsequent 2 years.¹ The project pipeline is updated dynamically on a periodic basis as needed with approval of the government and VP&COO. The concept papers, for the projects listed in the first year of the project pipeline as firm/standby projects, are attached to the annual project pipeline. For operations without sovereign guarantee, concerned parties will be consulted and a "no objection" will be sought from the government.

f. Draft country partnership plan and consultations with the Board of Directors

8. The draft CPP and the first country project pipeline are prepared based on the findings from and the outcomes of country consultations and the understanding reached with the government. The draft CPP is peer reviewed internally. With the approval of the President, the draft CPP is circulated/presented at a seminar to the Board of Directors to seek its views and revised as needed.

D. Approval of Country Partnership Plan

9. Endorsement of the revised draft CPP by the member government (or its approved agency) is then sought. The government-endorsed version of the CPP is circulated to the Board of Directors for approval.

E. Up-date of Country Project Pipeline

10. At the beginning of the annual programming cycle, the President gives directions on operational priorities, the resource position, and the overall framework for NDB support for a period of 3 years. Based on these directions, the country project pipelines may be reviewed and updated in consultation with the member government, designated national financial intermediaries, and business partners during the annual programming cycle. The annual update of country project pipeline is circulated to the Board of Directors (i) for discussion and consideration if the

¹ A standby project in the current year is usually a firm project in the next/subsequent year's pipeline. The number of years of coverage of country project pipeline takes into account country specific requirements.

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pipeline envisages a significant deviation from CPP, or (ii) on a no-objection basis if the pipeline is in harmony with the CPP.

F. Guidelines

11. NDB Management issues, from time to time, detailed staff guidelines to help staff prepare country partnership plans and annual project pipelines.

G. Evaluation

12. Evaluation of the CPP on its completion is an integral part of country analysis to appraise (i) the relevance of the completed country partnership plan, (ii) the effectiveness in delivering programmed outputs, (iii) the efficiency of resource use, and (iv) the impact of the NDB supported investment program and its sustainability. The evaluation provides lessons for the next CPP.