

New Development Bank Technical Assistance Policy

Owner: Operations Division

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Change Log

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Abbreviations

BOD	Board of Directors
CIC	Credit and Investment Committee
MFF	multi-tranche financing facility
NDB	New Development Bank
OCR	ordinary capital resources
PDB	project document for the Board
PTA	project technical assistance
RITA	Regional or Inter-regional technical assistance
TA	technical assistance
TRR	tranche release requests

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A. Introduction

1. Article 3 of Agreement of the New Development Bank (NDB) authorizes NDB “to provide technical assistance for the preparation and implementation of development projects to be supported by the Bank”.

B. Objective of Technical Assistance

2. The objective of NDB’s technical assistance (TA) operations is to facilitate efficient utilization of development assistance to its member countries. In particular, TA operations help (i) identify and formulate, implement, and operate efficiently NDB projects; (ii) promote innovation and transfer new knowledge/technology; (iii) encourage regional/ inter-regional cooperation on development issues and policies, and projects; and (iv) strengthen institutional capabilities of member governments and their agencies by disseminating good practices from among BRICS countries and elsewhere. NDB staff add value to TA through their participation by informing its design, advising on selection of consultants, providing technical inputs as necessary and through effective supervision. The project processing division will be responsible for designing, implementing and supervising the PTA—in close collaboration and consultation with the project executing agency and the member government—and for the quality of its output.

C. Types of Technical Assistance

3. NDB provides two kinds of TA to (i) prepare and/or implement projects—project technical assistance (PTA), and (ii) prepare and/or implement projects in more than one country—regional/inter-regional technical assistance (RITA). TA is available to all eligible clients as defined in other operational policies after due consultation and obtaining no-objection from concerned member government.¹

a. *Project technical assistance*

4. NDB provides PTA to prepare a single project, a series of subprojects under a project or a multi-tranche financing facility. In particular PTAs may help:
 - a. prepare a pipeline of projects suitable for NDB and other development partner’s support;

¹ (i) *New Development Bank. Policy on Loans with Sovereign Guarantee*; (ii) *New Development Bank. Policy on Loans without Sovereign Guarantee to National Financial Intermediaries*; and (iii) *New Development Bank. Policy on Transactions without Sovereign Guarantee (except Loans to National Financial Intermediaries)*.

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- b. survey or review, if necessary, a sector or sectors to identify sectoral issues to be addressed by the project or to prepare a master plan;
- c. prepare feasibility studies, which may include preliminary designs; preliminary engineering; cost estimates; technical, financial, economic, and socioeconomic analysis; environmental analysis; social impact assessment; and, determine initial benchmark indicators;
- d. carry out detailed engineering, including detailed designs, specifications, detailed cost estimates, prequalification of bidders, and bidding documents, and;
- e. do pre-implementation work for a project;
- f. implement, operate, and manage NDB supported projects—including institutional capacity development.

b. Regional or Inter-regional technical assistance

- 5. A PTA covering more than one member country is categorized as a RITA. They help address issues of common interests for the countries involved, or provide a cost-effective means to assist individual member countries on a joint basis. They focus on matters such as (i) promoting regional/ inter-regional cooperation on development issues and policies, and projects and programs; and (ii) assessing the feasibility of regional and inter-regional projects and programs.

D. Processing and Approval of TA

- 6. Ordinarily, a TA is processed when it is included in the country project pipeline. However, in response to a request from a member government or due to operational imperatives, a TA may be processed provided its concept is approved by the Vice-President and Chief Operating Officer (VP&COO).

a. Project technical assistance

- 7. When a PTA is required, TA fact-finding is done during the reconnaissance mission of the associated project. During TA fact-finding, NDB, after due diligence, comes to an understanding with the government including on (i) the scope of TA; (ii) the consulting requirements and the terms of reference; (iii) investigations, and surveys to be done; (iv) contribution to project design; (v) implementation schedule and arrangements; (vi) the roles and responsibilities of all the agencies associated with the project; (vii) cost estimates; and (viii) cost sharing and government's counterpart resources. Based on the understanding reached with the government, the TA

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processing division prepares the TA paper.² After peer review, the revised TA paper is sent to the VP&COO for endorsement to submit to the Credit and Investment Committee (CIC) for consideration.

b. Regional or interregional technical assistance

8. Processing of a RITA is similar to that of PTA. Additionally, the concurrence of member countries interested in participating in RITA is required for submission of the TA proposal to CIC for consideration.

E. Government Concurrence and TA Framework Agreement

9. To ease the processing of TA, NDB Management will enter into TA framework agreement with the member government interested in receiving TA support. The TA framework agreement establishes the general terms and conditions under which technical assistance will be provided. It encompasses issues such as the engagement of consultants and their financing; government's assurances on counterpart resources; classification of TA and cost recovery; manner of use of TA reports and their disclosure; immunities, privileges, and exemptions of TA consultants; suspension and termination, and indemnity by the government.
10. In the case where the TA framework agreement with the government has been concluded, NDB sends, after a TA has been approved, a brief TA letter of agreement with cross-reference to the TA framework agreement with relevant attachments for government's concurrence on a no-objection basis.³ If the government does not object within **[21 days]** or within an agreed period of time, to the TA letter of agreement, the concurrence will be deemed given.
11. Where the TA framework agreement with the government has not been concluded, NDB's approval of a TA is conditional upon signing of the TA agreement by the government.

F. Sourcing of TA funds

12. TAs are financed from NDB's special fund resources.
13. TA may also be co-financed by bilateral or multilateral or non-government sources. NDB normally acts as administrator or executing agency for such TAs under agreed

² The TA paper is prepared in accordance with staff guidelines. It provides details such as TA's (i) rationale, and strategic and operational context; (ii) objectives, intended outcome and impact; (iii) key activities, approaches, methodologies proposed; (iv) cost estimates and financing plan, including cost-sharing arrangements; (v) implementation arrangement; (vi) detailed of consultants to be engaged and their terms of reference, and (vii) design and monitoring framework.

³ The following documents are attached the TA letter of agreement—TA Paper, and the signed memorandum of understanding with the government of the TA fact-finding mission.

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arrangements. Country teams are encouraged to source co-financing for TA during country programming.

G. Counterpart Resources

14. Member governments/executing agencies and private sector TA recipients provide counterpart resources in accordance with the TA Framework Agreement. Such contribution is usually in the form of counterpart staff, office and housing accommodation, office supplies, secretarial assistance, and domestic transportation.

H. Guidelines

15. Management will, from time to time, issue detailed staff guidelines for processing technical assistance projects.

I. Approval Authority

16. CIC reviews TA proposals and takes the decision on circulating them to the BOD for approval. The BOD takes decision within the 15 day circulation period. If discussion is sought, the same could be done via email exchange/teleconference/video conference or meeting.
17. The CIC has the authority to approve a major change in scope for TA and report such change to the BOD. The CIC is authorized to assign to the VP&COO the approval of a change in scope of TA. The CIC is the reporting authority of such approval to the BOD.

J. Review of the Policy

18. NDB will pursue this policy during the first year of operation. Thereafter, as needed, NDB may review and modify the policy based on the experience gained in implementing the policy.