

COUNTRY PORTFOLIO EVALUATION EVALUATION LENS

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INDIA COUNTRY PORTFOLIO EVALUATION

Since its first project in India was approved in 2016, NDB has financed 26 projects in the country valued at USD 8.6 billion, focusing on sectors like transport infrastructure, water and sanitation, and renewable energy. What are the overarching results of the India-NDB partnership? How has the NDB portfolio performed? How effective are NDB's non-lending activities in the country? The country portfolio evaluation (CPE) undertaken by the Independent Evaluation Office (IEO) in 2024 aims to find out the answers to these and other questions. This Evaluation Lens provides an overview of the CPE's findings and recommendations.



Delhi-Ghaziabad-Meerut Regional Rapid Transit System Project

OVERVIEW OF THE EVALUATION FINDINGS

NDB has contributed to India's development efforts ... but more can be done

India's priorities for sustainable development have been well-supported by NDB operations. The Bank has financed projects that enhance connectivity and expand access to clean water. These efforts align closely with India's national goals and the Sustainable Development Goals as well as with the Bank's own General Strategies. The establishment of the Indian Regional Office (IRO) in GIFT City, Gujarat, in 2022, is a welcome initiative to bring the Bank closer to its clients and end beneficiaries. However, the evaluation also highlights areas where NDB has yet to leverage its full potential, for example, by providing investments in other key priority sectors such as social and digital infrastructure, environmental protection,

WHAT ARE COUNTRY PORTFOLIO EVALUATIONS?

The main objectives of CPEs are to: (i) assess the results of the NDB-country partnership; and (ii) generate lessons and recommendations for strengthening the partnership and determining priorities for the future. The India CPE is the first ever CPE conducted by IEO.

and private sector engagement. Moreover, the Bank can expand its engagement in non-lending activities (such as knowledge-sharing) to promote a more coherent country programme approach for greater impact and scaling-up of success stories.

WHAT ARE SOME OF THE OVERARCHING TAKEAWAYS FROM NDB-FINANCED INVESTMENT PROJECTS IN INDIA?

Significant progress has been made in enhancing urban mobility and rural connectivity, with initiatives like the Madhya Pradesh Major District Roads Project and the Mumbai Metro Rail Project improving access to services and the quality of life of beneficiaries. Water infrastructure has also expanded in rural areas through projects such as the Rajasthan Water Sector Restructuring Project. The phased multi-tranche financing approach and the establishment of the IRO have strengthened project execution. Investments in the north-eastern states are proving to be useful, especially in light of their weaker economic development status.

Despite these achievements, there are areas for development. During the period covered by this evaluation (2015–2023), NDB has not provided much funding for non-sovereign operations and has also not yet been able to generate local currency financing. There are limited synergies across projects in the portfolio, and the extensive geographic coverage of the portfolio is posing challenges to monitoring, supervision and overall efficiency. While some support has been provided, the focus on local-level institutional development, especially in "lagging" states, has been limited. Sustainability practices, including climate resilience, remain underdeveloped.



NDB IN INDIA: A SNAPSHOT

- Portfolio overview: 26 projects financed worth USD 8.6 billion; 44% disbursed by end-2023.
- Sector focus: transport infrastructure (55%), water and sanitation (16%), renewable energy (3%), and COVID-19 emergency assistance (23%).
- Geographic distribution: four projects with nationwide scope, and 22 projects spread across 13 states and union territories.

NON-LENDING ACTIVITIES: A MISSED OPPORTUNITY?

In light of the number of projects and volume of funding, NDB engagement in non-lending activities in India has been insufficient. While some activities have been promoted, little attention and resources have been devoted to knowledge management. Though there are some examples of co-financing with the Asian Development Bank and the Asian Infrastructure Investment Bank, partnerships with Multilateral Development Banks (MDBs), International Financial Institutions (IFIs), the United Nations and private sector actors have been ad hoc. Provision of technical assistance and implementation-support has not been commensurate with the needs of projects and implementing partners.

RECOMMENDATIONS

STRATEGIC RECOMMENDATIONS

- 1 Develop a country strategy.** Establish a comprehensive India-NDB country strategy to guide NDB activities moving forward. Such a strategy would be jointly developed by India and NDB, and capture their common understanding of priority areas for investments, non-lending activities and related activities.
- 2 Deepen partnerships.** Expand partnerships including co-financing with MDBs, IFIs, United Nations agencies, and the private sector.
- 3 Strengthen knowledge management.** Create a structured framework for capturing, storage and sharing of knowledge, good practices and lessons, supported by dedicated resources. Partner with think-tanks, and academic and research institutions.

OPERATIONAL RECOMMENDATIONS

- 4 Enhance the Indian Regional Office.** Increase staffing, improve digital infrastructure, and strengthen coordination between IRO and NDB headquarters.
- 5 Build state-level capacity.** Tailor capacity-building programmes to state needs, supported by training and wider access to technical assistance.
- 6 Strengthen project lifecycle management.** Devote greater attention to conducting regular and comprehensive project supervision and implementation-support, mid-term reviews, and ensure timely preparation of project completion reports.

THE INDEPENDENT EVALUATION OFFICE

The NDB Independent Evaluation Office was established in April 2022. The Director General of IEO reports directly and exclusively to the NDB Board of Directors. The main objective of IEO is to promote accountability and learning for enhancing the Bank's performance. IEO conducts a range of independent evaluations at different levels: evaluations of projects and programmes as well as of policies, strategies, instruments, and corporate processes.

Want to find out more?



Evaluation Lens' provides a short summary of evaluations conducted by IEO. The full evaluation report and related documentation may be accessed through the IEO web pages.

◀ Scan to access the full report.