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**The Prospects and Challenges for Achieving Sustainable Development Goals under the BRICS-New Development Bank (NDB)**

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**Abstract**

*The unification of Brazil, Russia, India, China and South Africa in form of BRICS was formally established in 2009. The New Development Bank (NDB) of the BRICS grouping which can be also highlighted as the 'BRICS Bank' remains a noteworthy contribution of the grouping. The NDB has generated a total contribution of US \$100 million. The NDB's main focus is on initiating hard infrastructure projects in the BRICS countries and to provide financial assistance to projects dealing with renewable energy. The NDB has generated a total contribution of US \$100 million from the BRICS countries along with the establishment of the Contingency Reserve Arrangements (CRA) which is based on the Chiang Mai Initiative (CMI). It has also set up an additional funding of US \$50 billion to fund to each region of the BRICS for a year to address the developmental projects and achieve the Sustainable Development Goals (SDGs). These goals try to tackle the basic of human needs and guarantee equal opportunities and healthy living to all. This phenomenon is an extension of the Millennium Development Goals (MDGs) that were enshrined by the United Nations Organization (UNO) to bring a comprehensive development and better living for the people of the world. The paper will highlight attempts of the NDB to meet environmental and developmental goals that has become a most important need of the developing countries such as the BRICS and Least Developed Countries (LDCs) in the current period that has major benefits to India and to the region of Africa.*

**Key Words:** *BRICS, Sustainable Development Goals (SDGs), New Development Bank (NDB), United Nations Organization (UNO), Global South.*

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**Introduction:** An alliance of the Brazil-Russia-India-China-South Africa (BRICS) countries has formed systematic mechanisms to address the concerns of achieving the targets of Sustainable Development. These developing countries with growing economic figures have the challenge of meeting the Sustainable Development Goals (SDGs) that are outlined by the United Nations (UN). These are big states with huge population, large territorial span and economic growth, however, these countries also face massive gap

between the rich and the poor. The challenges to reduce poverty and meet the developmental goals is also much bigger. The widening ratio between the 'haves' and the 'have nots' does portray a disturbing picture and a tedious task for the state machineries to engage in addressing the basic needs of its citizens. Through the BRICS grouping, the member countries try to cooperate to meet these pressing demands. The NDB can be regarded as one of the primary step to address these concerns. This new institutional architecture is designed to fund and assist in developmental and infrastructural projects of the member countries.

The '2030 Agenda for Sustainable Development' was adopted in 2015, that drew a set of goals to end poverty, protect the planet, and ensure prosperity for all. It comprises of total seventeen goals, each goal having a target to achieve over the next fifteen years. It emphasizes on reducing poverty, zero hunger, gender equality, quality education, peace, justice and strong institutions etc. as its primary goals. Along with these goals, addressing the issues of climate change remains one of the prime areas enshrined in the 'Global Goals'. It highlights the need for realizing greater responsibilities towards achieving steps in managing climate change and its impacts, conservation and sustainable use of the oceans, seas and marine resources for sustainable development, protect and restore sustainable use of terrestrial eco-systems, sustainably manage forests, address the issues of deforestation, desertification and take necessary steps to stop reverse land degradation and protect the biodiversity (Sustainable Development Goals).

**NDB and Sustainable Development Goals:** The idea to establish the NDB or the BRICS Bank was initiated in the fourth BRICS summit held in New Delhi, India in 2012 (Fourth BRICS Summit 2012). An agreement to form a BRICS bank was formalized in the sixth BRICS summit, held in Fortaleza, Brazil in the year 2014. The NDB can be a significant tool in advancing the SDGs demands of the BRICS countries. The BRICS bank was initially launched with goals to fund the hard-infrastructural projects. Along with the demands for such projects, the BRICS members comprising of Brazil, India and South Africa stressed on the funding in soft projects that will focus on the human capital investments together with the hard-infrastructural projects that is more favored by China and Russia. The NDB heralded by the BRICS countries has been a pioneer in tackling the issues of SDGs that also seeks to meet the goals of the environmental preservation. The President of the bank K.V Kamath highlights the objectives of the bank as "committed to green and environmental friendly projects". It primarily focuses on the new kind of developmental initiatives that will generate maximum benefits to the people and create holistic development. It adheres to fast and flexible functioning and commits to bring about a non-linear change. This will make an effort to meet the growth requirements of the developing countries. In addressing the environmental protection in its projects, the bank stresses on adoption of the policies that covers promotion of mitigation and adoption of measures that addresses climate change. It tries to encourage in the 'building green economic growth initiatives', that will cover regional, national, sub-national and private sectors (Kamath 2016).

In 2017, review meeting of the NDB, the member countries also agreed to launch a funding of US \$250 million loan that will generate a US \$50 million low interest loan to one country from within each of the five BRICS partner regions (Emory Global Health Case Competition 2015). The bank stresses on sixty per cent share of the loans for renewable energy. Till date NDB has approved seven projects in the BRICS countries. BRICS Bank encourages financing in both public and private projects mainly granted through loans, guarantees equity participation and other financial instruments. In 2016, it granted seven projects amounting to US\$ 1.5 billion. There are plans to place around fifteen projects of worth 2.5 to 3 billion in the year 2017, showcasing its commitment to fund and engage in developmental interactions. The seven projects covered in the first batch addresses infrastructural and energy needs covering solar, small hydro, wind both offshore/onshore and green energy transmission needs (NDB 2016a).

While the first project was granted to India of total US \$350 million, the second project was granted to the off-shore wind power project in the Fujian Province in China. This project aims to generate 873 million kilowatt-hour (kwh) of electricity each year. This will boost in energy conservation and help in reduction in emission of carbon dioxide to avoid nearly 869,900 tons every year. The other projects that are approved are in the renewable energy sector mainly dealing with solar energy. In Russia, a renewable hydro project and green energy of US \$ 100 million was sanctioned. This generated around 49.8 Megawatt (mw) of renewable energy which also helped in avoiding 48, 000 emission of Carbon dioxide a year. The third project targeted generating renewable energy wind and solar for US \$ 300 million. It generates 600 mw in renewable energy and helped in avoiding 1,000,000 Carbon dioxides a year in Brazil. In South Africa, a renewable project of US \$180 million has been sanctioned, to cater the 670 mw energy needs. This has avoided the carbon emission of 1, 300,000 tons every year. The second project in China also focuses on renewable energy, with 100 mw solar energy. A total of US \$ 81 million is generated for the project while avoiding 73, 000 emissions of Carbon a year (NDB 2016b).

**Benefits to India:** India has attached the G20 and the BRICS as main players to achieve the SDGs. India aims to maintains a positive outlook towards achievement of the SDGs. It has been a proactive advocate of promoting ‘Common but Differentiated Responsibilities’ towards the climate and environment protection policies. According to Finance Minister of India, Arun Jaitley, “the BRICS should work as one big country in addressing the SDGs as no one country can single handedly cater to these goals”. India can also benefit from the adoption of a Public-Private Partnership model (PPP). The BRICS-NDB along with the other initiatives such as the G77, the IBSA, and the Rio Principles, provides India an opportunity to represent its major concerns with other developing countries and try to balance its environmental goals with developmental challenges. In the eighth BRICS summit hosted in India, it highlighted its focus on ‘Building a Responsive, Inclusive and Collective Solutions’ as the main theme of the summit that will enable to further widen the discussion over attaining these goals among the BRICS members.

The BRICS bank will have a positive impact on the infrastructural needs of India that will assist in meeting the developmental goals of the country. The country is estimated in need of US \$ 646 billion for next five years that will be required to engage in seventy per cent investment in sectors primarily covering power, urban infrastructure, roads. The Finance Ministry claimed that “the country has approved of enhancing deeper cooperation with the NDB. Through the bank, India aspires to engage in developmental aspects in specific areas such as in creation of smart cities, develop renewable energy projects and cooperate in improving the facilities such as urban transport, covering road, and metro rails. It can also aspire to benefiting from the technologies such as clean coal energy, solid waste management and urban water supply” (Malik 2016).

The BRICS bank initiative can be of relevant help to the countries in the South Asian region. The benefits of Indian participation in the grouping can be expanded to the regional benefits, thus guaranteeing progress at much broader level. It has reported considering choosing projects in countries such as Bangladesh, Sri Lanka and Myanmar in 2017. The first project in India, focuses on the construction of roads in the state of Madhya Pradesh. The total of US \$ 350 million is sanctioned for upgrading a road approximating a distance of 1,500 kilometers of major district roads. This also focuses on the management of road availability, improvements in the road maintenance and asset management.

**Benefits to the region of Africa:** The NDB has also opened a regional office at Johannesburg in South Africa in 2017. This can be seen as a major step to enhance deeper engagement in the African continent. The region of Africa is one of the most poverty affected and it comprises highest number of countries listed in the LDCs. The region is affected with mass unemployment, needs support in addressing the issues such as health, education and poor housing facilities. The region also lacks proper infrastructural capacities that further affects in the manufacturing facilities. There are also serious needs for addressing the issues of malnutrition, and food security. The bank can assist the region with infrastructural developments which will benefit in lowering the dependence on commodity exports that the region is highly dependent upon.

**Conclusion:** The attempts made by the NDB in addressing the major infrastructural needs of the BRICS countries can be regarded as one of the pioneering endeavors. The grouping has traveled a long journey from just being a projection as an investment hub by the Goldman Sachs to initiating an institutional framework that will attempt to address needs of meeting the SDG’s in these countries. The NDB fund in developmental projects can also be a factor of bridging the gap between the BRICS countries, which did not share traditional partnership in addressing developmental goals. This initiative is one of its kind that aims to lead the developmental objectives in the global South. As the BRICS countries are stressing on the identity as the emerging powers of the next century and demand for the higher recognition in the decision-making process, they have rightful obligations towards the environmental protection and reaching out the developmental goals to gain much more credibility in their power trajectory.

However, the Bank is heavily criticized for lacking transparency and clarity with adoption of the projects. Some projects selected are regarded as environmentally insensitive. The bank is criticized for lacking efficiency in processing and implementing of the infrastructure projects. The bank is also criticized for engaging at the government and corporate level neglecting the needs of consulting with the local bodies who will be directly affected by the projects. The bank does not share a wider cooperation with the civil society engagement (Roul 2016). Though, it is too early to analyze the achievements of the bank and declare it as a failure. The older multilateral development banks (MDBs) such as the WB, the IMF and the Asian Development Bank (ADB) have also taken time in addressing these measures. There is a need to give more time to mature and learn from the already existing banks. The NDB can also study from the practices of adopting comprehensive indicators on balancing growth and ways to measures environmental sustainability that are adopted by the regional development bank of Latin America (Szeifert, Jurek, Sergio Veloso (n.d) and Oxfam Policy Brief 2014).

In order to add a supplementary value to the developmental initiatives, the BRICS bank should have a wider scope and have an inclusive project and cover all the sustainable development goals. The projects should represent the deprived sections of the society such as: women, children, the marginalized groups. This will initiate in reducing the existing inequalities between the people in the society. The bank should try to reduce the gap between the rural and urban development. Greater emphasis should be laid on selecting projects that are conducive to environmental protection, preserving the biodiversity and ecological balance of the regions. Along with mobilization of resources, the framework of the NDB should be designed on the same outlines as the SDGs and focus on its implementation, capacity building and meeting the technology and expertise required and provision of data and institutions along the way to achieve the goals. The successful implementation of the NDB projects to achieve SDGs will certainly be a win-win situation for the BRICS countries.

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