

THE ROLE OF MULTILATERAL DEVELOPMENT BANKS IN HUMANITARIAN ACTION AND SUSTAINABLE DEVELOPMENT

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Abstract: Of all international organisations, Multilateral Development Banks (MDB) are not the most well-known nor the most scrutinised neither by the academy nor the public. However, they play a major role as financial institutions for the purpose of development. The article, drawing on the broader field of Humanitarian Aid and Aid for Development discusses the role of those agencies, particularly with reference to the connections between the humanitarian and the development dimensions, and within this later case, assessing their efforts in order to tackle poverty and to abide by sustainability concerns. The conclusion highlights some of the main findings, mainly with reference to two cases, the European Development Bank (EIB) and the New Development Bank (NDB).

Keywords: development aid, humanitarian aid, multilateral development banks, sustainability, poverty.

INTRODUCTION

Humanitarian Aid is often seen as a set of mechanisms for intervention in contexts of crisis. While this is partially true, Humanitarian Aid does bridge with actions aiming at overcoming structural problems, so often connected with the crises themselves. This is both true for natural and for man made disasters and crises.

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Poverty, environmental degradation, lack of political stability, armed conflict are often intertwined and account for a substantial number of the crises. Humanitarian Aid in this sense bridges with the efforts for reconstruction after a crisis has emerged, but can also be associated with the prevention of future crises, notably through reconstruction efforts. That is the reason why Humanitarian Aid and Development Aid can be seen as two faces of the same coin. Development Aid allows resources and know how transferences that will enable developing countries to upgrade their capacity for facing crises. It is no coincidence that humanitarian crises strike more people from the less developed world than from the highly developed zones. This is the result of resilient infrastructures and human and technical preparedness, in the case of natural disasters; but it is also the outcome of a more complex type of societal structure that enables and values peace, welfare and stability, concepts that can be connected with development, especially under the terms it is debated today.

In international governance terms, development has become a pragmatic choice and indeed almost an ideology, framing the work of international organisations and having led to the crafting of the concept of human development and the creation of the sustainable development agenda. The ways to foster development are manifold but it always requires organisational structures, financial resources and know how. Multilateral Development Banks (MDB) have emerged as institutions the core role of which is to enable development. They are part of the international governance of development, however, they are not all equal, or equally organised, or even aiming at the exact same outcomes. This is why studying them is relevant, in order to understand whether they are actually contributing to development, notably under two of the presently established goals: tackling poverty and fostering sustainability. This article aims at understanding whether the MDB are actually being able to cope with crises, foster development and diminish poverty, and if in doing so they are being able to abide by current environmental and intergenerational sustainability goals. Examples are mainly

drawn from the cases of the European Investment Bank (EIB) and the New Development Bank (NDB), two different regional banks that are highly marked by their contextual imprint and their capacity to address local issues.

The article is built on documental and bibliographical information and thus presents guidelines for the debate on MDB's role in Humanitarian Action and Sustainable Development. It is structured in two parts: in the first, a general overview on MDB and their characterisation is presented; in the second part, the results of MDB work with reference to humanitarian and development aid and sustainability are discussed. The conclusion summarises the main findings and paves the way for further research on MDB.

MULTILATERAL DEVELOPMENT BANKS: AN OVERVIEW

Multilateral banking institutions emerging on the grander scale of things after World War II as the culminating results of the Bretton Woods conference, came to own the transcending idealism of making the world a more peaceful place, one where reassuring peace and rebuilding cities or countries had turned into the *raison d'être* (Clifton et al. 2017; Crippa 2010; Lazzarini et al. 2018). The forming of the International Bank for Reconstruction and Development (IBRD) in 1944 (WB 2022) to finance massive infrastructure projects in countries suffering from the lack of funds, led the way towards founding multilateral financial institutions as the European Investment Bank in 1958 (EIB 2022a), the Asian Development Bank (ADB) in 1966 (ADB 2022), or the African Development Bank (AFDB) in 1964 (AFDB 2022), among others (Clifton et al. 2017).

However, very little is known on what it is that these Multilateral Development Banks actually do and on how their role has changed over the years. Regarding the very definition of these organisations, much variety can be found in academic literature, or in the institutions themselves. Crippa (2010) presents them as

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institutions that foster economic and social development either regionally or multilaterally, and whose legal responsibilities became blurred as they have not been specifically defined in international law per se. This can point out the leverage and pursuit that a Development Bank beholds when States cannot accomplish a consensus, for instance. With reference to their functions, these financial institutions loan or invest money (paid by their shareholders) to take on rebuilding or project management of infrastructure related fields, in countries or cities lacking that capability. They finance schools, build bridges and massive construction projects and lastly take on what perhaps political governments are not able to – which is to leverage or to allocate funding when financial means are not met. When local banks did not have enough resources in the post World War II world, MDB offered the international form of bonds, in order to diversify the capital, thus functioning as a financial instrument per se (Clifton et al. 2017; Babb 2009).

In the case of the EIB, as a first rather regional development bank (nowadays the development bank of the EU) being the outcome of the Treaty of Rome in 1958, it came to show that perhaps the prosperous opportunities targeted towards building businesses in grander cities, in Italy for example, increased poverty in the countryside (Clifton et al. 2017). Nowadays, the EIB focuses on Green Fund Management and providing sustainable financial advisory services as well as credit easing. Furthermore, in the light of the recent Covid-19 pandemic, this EU bank has made a conscious expansion to the health sector, by financing vaccines and investing into laboratory services (EIB 2022b).

However, the architecture of development banks being based on the Bretton Woods institutional model, led to the formation of several other Development Banks over the years (Rewisorski 2018: 283). Due to the fact that the shareholding and voting right allocation has not been equal or perhaps not as acceptable to emerging market countries or other developing countries, favouritism for the western states has emerged. Therefore, whenever countries felt unequal they often left and formed other institutions (Kellerman

2018). Furthermore, MDB overall roles have faced a debate beyond their initial function, as different perspectives have risen. Babb (2009) states that the overall Development Banks' role is more of a corporate equivalent than of an international organisation, as their essential structure also entails functioning as a corporate enterprise, aiming for capital gains to keep itself running, whilst exploring different financial instruments and mechanisms. Nevertheless, Houghton and Mendez (2020) have since considered that perspective plays an essential role, when it comes to analysing the function of an MDB, suggesting that these financial institutions can be observed purely as such, i.e., by analysing them based on their banking mechanisms and risk mitigation only, and thus not including the social and humanitarian ties. On a second aspect, the MDB projects can be purely inspected from the social perspective, where the long term goal is to bring a consensus by providing financial means to make transformation happen, and therefore facilitate social change. Lastly, the political input cannot be avoided, as political influence can be often a leading cause or a political goal from a party perspective for instance (Houghton, Mendez 2020). Thus, perspective is everything. Furthermore, with reference to their function, MDB can act both at the national and the multilateral levels. Therefore, their functions and actions can have several layers.

The 2009 financial crisis came to force the MDB to reconstruct their functions and their purposes, thus providing investment strategies and risk mitigation intertwined, leading their action well beyond solely financing developing countries. The academic debate to ponder whether MDB are needed has grown over the years and, like many outcomes of the Bretton Woods system, the old structure has shown rather inconspicuous, has forced new coalitions, and has even led to the creation of new MDB. The New Development Bank (NDB), formed in 2011, is the latest example, representing the emerging markets, or BRICS. The NDB purely focuses on financing sustainable infrastructure related projects (such as energy efficiency and water sanitation system management) in the developing countries or within BRICS themselves. They as well have expanded

to Covid relief assistance (NDB, 2020, 2021a). This newcomer MDB has demonstrated strong ability to proceed according to new standards, thus rerouting from the western approach and idealism. Furthermore, it is based on more equal voting rights and representation of its members, and assures no ideological development approach will be pushed through it (Rewisorski 2018: 284-285).

In contrast, the case of post colonialist Europe, where the EIB aimed to finance its previous territories, has risen the risk of increasing poverty with forced European values. The overall work now focuses on environmental sustainability, the EU climate mandate targets and green bond issuance, and within the past two years Covid-19 relief (EIB 2019; EIB 2021a). The fundamental issue with the mandates considering the EIB for instance, is whether it is contributing to solving poverty or purely enriching itself. All MDB have an aligned agenda with leading regional goals and policies that have been followed in the global framework. Since the core function of MDB has become the investment strategy, it therefore realigned the purpose of these institutions, and thus one might ask whether it is essential to have them (Taylor 2021).

In summary, MDB were born as a by-product of post World War II, in order to create peaceful and balanced infrastructures to societies. This was followed by the enlargement to postcolonial countries that together with other emerging market countries encountered an unequal standpoint within the layout of member rights. Today, the majority of MDB policies are greatly focused on risk mitigation and a variety of investment mechanisms to reduce poverty and fight climate change, which have been hindered by recent Covid-19 emergency responses.

MDB'S ACTION: HUMANITARIAN AID, DEVELOPMENT AID AND SUSTAINABILITY

Humanitarian Aid and Development Aid

Looking into the correlation of Humanitarian Aid and Development Aid with reference to Multilateral Development Banks' action is pivotal, when it comes to understanding and eradicating poverty, or enhancing sustainability. Humanitarian Aid as a concept can be construed differently by different entities, however main principles defined by the Red Cross and Red Crescent Movement and the United Nations consist of humanity, impartiality, neutrality and independence, that altogether aim to minimise human suffering. Henry Dunant's historic efforts to provide treatment to wounded war victims leading to the creation of the Geneva Conventions have formed the foundation for Humanitarian Aid (Global Humanitarian Assistance 2021). From this origin, Humanitarian Aid has evolved into a broader, possibly more professionalised and less idealistic activity, which faces new ethic and organisational challenges, in order to cope with the broad spectrum of the 21st century crises, as was debated in 2016, in the World Humanitarian Summit (Agenda for Humanity 2016). From a new typology of crises and the acknowledgment of their root causes (e.g. climate emergencies), to the necessity to accommodate a bottom-up perspective, which should be able to empower local stakeholders along with the vast array of major IGO and of NGO already involved in it, Humanitarian Aid became a rather complex field to consider (Mac Ginty, Peterson 2019).

Interestingly, the MDB have formed a quite unusual and non existing legal status quo regarding Humanitarian Aid, as they are not formally binded to contribute to it (Crippa 2010). As mentioned by Crippa (2010), a gap exists between International Law and global standards for the MDB to fullfill their obligation towards Human Rights. The problem within the humanitarian area lays in the legislative structure formed by several international

treaties. Furthermore, it is important to distinguish that Humanitarian Law and International Human Rights came to represent two different concepts: Humanitarian Law applies during a war or a conflict; yet, International Human Rights can be applied at all times (The ICRC 2010). Moreover, the crucial element to defining “Humanitarian Aid” is the suddenness of an eventual crisis, regardless of whether its origins are man-made or natural. Historically it evolved from the military conflict scenarios into a broader human-focused approach, in order to provide impartial and neutral assistance to achieve human dignity (Global Humanitarian Assistance 2021).

What is therefore the link between Humanitarian Aid and the MDB? The connection is actually quite intriguing and can be analysed from a twofold angle. Firstly, it could be debated that humanitarian values are not directly linked to the world of Development banking. From the MDB perspective, it was never their intention to provide Humanitarian Aid. Babb (2009) justifies this by stating that first and foremost their vital function is to keep the corporate world running and their portfolios growing. Secondly, MDB generally seek projects that expand their curriculum rather than the opposite, which means that certain egotism enrolls within their own capital gains. Babb (2009) also claims that the MDB do not share liability towards the member states and, in fact, act as “private corporations”. In that sense, however, they are capable of reacting to external requests or outputs, if it is in their own interest to do so. Hence, the shareholders, who are states, often carry out their self-interest, which can become cumbersome in terms of consensus, and in worst case scenarios can even lead to corruption (Babb 2009). On the other hand, it can be argued that, in some cases, the MDB role should be simply to be able to provide quick assistance or leverage. In fact, discussing whether or not to include Human Rights within their agenda has been highlighted for the last 20 years. As Christopher Stephens (2017) states:

the moral imperative of including human rights in development work gained prominence four decades ago. But it was only recently that

economists concluded that the advancement of human rights also contributes to economic development [...]. The core mission of MDBs has evolved beyond their original mandate. The Sustainable Development Goals reflect the shift from infrastructure-related project loans to include the financing of “human development” (Stephens 2017: n/a).

Furthermore, Humanitarian Aid became an inevitable policy, if not a mandate among MDB worldwide, due to the recent pandemic of Covid-19, where emergency relief emerged imperative. Until 2020, the European Investment Bank had been quite nonchalant in terms of humanitarian efforts and had primarily focused on development infrastructure projects and financial mechanisms. However, as Clifton et al. (2020) described,

we argue that especially in view of the public health crisis, it is high time for the EIB to establish a health sector strategy – as already recognized (EIB-European Commission 2018) and step up its contribution from its own funds, beyond risk-sharing facilities with the Member States and the Commission as EGF and IDFF respectively (Clifton et al. 2020: 144).

Therefore, this was the first time the EIB contributed to a humanitarian health crisis, the Covid-19 crisis, by launching a covid relief programme. This reinforces the fact that western nations have not needed to focus on health crises and to provide a humanitarian response per se. However, the New Development Bank had contributed to facing pandemics on a national level prior to Covid-19, such as Ebola and the Dengue fever, which have challenged the emerging markets, thus making it more coherent and fast pace within its relief packages (NDB 2020). Lastly, Humanitarian Aid within the MDB can become time consuming, as MDB are bound to safeguards, to a certain extent, for protecting their investment capital. However, as Humphrey (2016) suggests, safeguards do not always result in the ideal outcome, as they delay or jeopardise the project; instead, transparency should be advocated and mandates made fully public. In summary, the relation of humanitarian efforts with MDB are complex and multilevel, however not binding by

law. Yet, studies do suggest that adding Human Rights issues to the core development affairs could even benefit MDB as organisations.

Then there is Development Aid, which has been defined by the OECD (2020) as “financial Aid towards a developing economy promotional goal”. The controversial aspect is that the definition is not very precise and can be interpreted in more ways than one. Regardless of the terminology aspect, development aid goals in general aim to either finance or plan development projects in a developing country, which the country in question cannot perform on its own. Development Aid can be allocated to various projects, from education to healthcare to urban infrastructure. Therefore, this brings us to the core topic: do these development programs by the MDB actually work, and thus decrease poverty?

The late Development Economics Professor, Peter Bauer (2000) and, currently, Dambisa Moyo (2009) have famously debated against Development Aid as a concept, stating that it actually increases poverty. Bauer (2000) points out that Development Aid, regardless of its form, ruins the receiver’s ability to compete in the market and export its goods. This also happens because usually poorer countries’ governmental structure does not have the framework for a trading platform, and for the fact that since aid is initiated, there is no need to think about trade revenue anyway. Bauer (2000) also brings out the problem of landownership, which hinders the ability to survive and gain an income, through farming for instance, and the fact that in many African countries, much like in central Asia, the land is a free good. This is why outsourced investment mechanisms do not bring a solution to this problem (Bauer 2000: 71). According to the author, the answer to this is: if not quitting aid entirely, at least exchanging the loans to direct grants, because such seating of loaner-receiver creates an immediate dependency issue. Furthermore, he also argues that colonialism, albeit it worsened the socioeconomic and political status of many countries, is not accurately the pure reason for the existence of the “Third World”, as there is a handful of countries in Africa and in Asia that

were never colonies, yet have suffered from extreme poverty for more than a decade, like Chad or Nepal for example (Bauer 2000).

In the same line of reasoning, Moyo (2009) debated the fact that in her native Zambia, from the 1970s till the millennium, poverty had increased remarkably from 11 per cent to 70 per cent. The reason behind this fact, according to her, is that systematic Development Aid had begun in the mid-1970s. Therefore, Moyo (2009) supports the Chinese approach, in considering Africa's expertise to do business specifically B2B manner. Moreover, this approach treats states as equal entities, rather than under post-colonial hierarchy or orientalism. Dambisa Moyo has spent most of her career researching the fundamental reasons why particularly some African countries fail to prosper and become financially sustainable. The results of this research have argued that, in comparison to some developing Asian countries, the complexity of historical, geographical, institutional and tribal culture altogether challenge the economic flow.

According to Moyo (2009), many researchers analyse the difficulty for fostering the African continent economic growth from the perspective of natural resources – coastline and climate influences as main reasons – and leave institutional or governmental challenges as secondary, despite Africa having the highest rate of civil wars, due to its ethnicity factors and having more than 1000 tribal families. Therefore, Moyo takes one step further from Bauer's foundation, by finding reasons beyond colonialism to debate Development Aid's refusal. One fundamental aspect that Moyo (2009) emphasises is the Marshall Plan's effect, which was the US's voice to assist post-war Europe to rebuild. The Marshall Plan was often understood as the foundation for aid and as a loan experiment that MDB have continued. However, what differentiates it from current African Aid is that firstly, Europe already showed signs of having started the recovery; and secondly, the Marshall Plan had an ending date defined, it was not meant as indefinite ongoing support. Furthermore, African countries have had several conditions included within the programs and often tied to using the donor's own

products. This has been highlighted in the projects founded in the 1980s, which became the former colonies' loophole on how to practice business in Africa (Moyo 2009).

Interestingly, much like EIB and World Bank and other US-based institutions, a fundamental part of their regulative contract in terms of aid policies is implementing democracy. Thus, Moyo (2009) outlines that, whilst these agents have increased democracy in the sense of fair elections in some African countries, this has not necessarily benefited these countries with economic growth. On the contrary, some countries that are found to be substantially less democratic – such as Sudan – have turned their economic growth upscale. More recently, these systemic concerns have also been the target of the Addis Ababa Action Agenda on Financing for Development (GA 2015) and its follow up. International multilateral institutions are therefore not unaware of the effects of MDB action or, in other words, they are well aware of the many faces of the debate on their impacts – as it can be determined from, for instance, the EIB Development Report 2021 (EIB 2021b). The GA resolution does stress the necessity for local and national ownership, along with international aid. The sustainable development agenda, as further addressed below, has meanwhile become the key issue, when it comes to MDB responsiveness to the development agenda. Still, the major topics risen by Bauer (2000) and Moyo (2009) remain relevant in pointing some of the hindrances the all process may carry.

Although donor-recipient relations have been increasingly under scrutiny, not so much has been done about it. The mixture of Humanitarian Aid and Development Aid has somewhat come intertwined with each other, potentially hindering the actual purpose of the MDB. Whether it is a global pandemic, climate change or a political conflict it seems that the MDB have had to take a stance accordingly, adding this to their agenda and portfolio. A debate has also risen amongst the academic community about usage of safeguards, as the ever hindered lines are still being used by these development banks, whilst taking some kind of stance on world events. Furthermore, the implementation could harm the overall

legal framework and functioning capacity, and even more so, transparency should be practised (Humphrey 2016). Thus, Humanitarian Aid should be emphasised as a secondary effect within the MDB framework, but it should not become the primary reason.

Analysing the core concept of Development Aid per se, similar issues can be found as in Humanitarian Aid, where definition is not clear, nor are its functions. Again, according to the OECD (2021) standards, Development Aid is explained as financial assistance towards developing economy's promotional goal. Thus, it is precisely why this broad concept of Development Aid is often mixed with Humanitarian Aid, and this is what the wealthier nations use as a platform for Systematised Aid (Moyo 2009). Due to Systematised Aid, it can be argued that the donor-recipient dependencies cause economic downturns and may increase poverty (Moyo 2009; Schleifer 2009; Brumm 2003). This is because the recipient countries are not able to independently strategise their own potential and their own mechanisms to foster their prosperity. Furthermore, Moyo (2009) argues that in comparison to the Marshall Plan, the current MDB ran their programs indefinitely. Moreover, it can be argued that forcing democratic values into the receiver country might end up in the false hands of elitist and corrupt governments, due to the lack of a sustainable government model (Acemoglu, Robinson 2013).

MDB's have the platform to lead the way and form new ways of cooperation and, in the case of the EU, the EIB has already shown interest in exploring new horizons, as the EU reassesses the aftermath of the Cotonou Agreement (EU 2021b). One other option to further enhance the MDB projects to developing countries could therefore be to pursue the "Chinese scenario", which would mean pure business type strategy without politicisation, and without involving governance options. In fact, the Chinese have become quite an exemplary case to many African countries demonstrating that financial success does not need to depend on democratic and western ideals per se. The Chinese have over the last three decades built significant ports and railways and formed

substantial businesses in the African continent, as their ultimate Silk Road Initiative has confirmed (Martinez 2015; Moyo 2009; Park et al. 2016).

Sustainability

The concept of sustainability drives a new debate on development, one that has merged environmental with economic and social concerns (Purvis, Mao, Robinson 2019). The MDB approach to this debate is worth being analysed, for further understanding the action of those institutions and the ways in which they currently tackle development. Historically, in the early 1970's, many international treaties or global framework endeavours became a hard pass in the middle of the Cold War due to the global tension. Sustainability, as a concept, was born among the fear that the world could not gather when it came to protecting our planet, eradicating poverty, or even simply making wiser decisions together. This was summoned to the Bruntland Report by the UN in 1987 (Leiserowitz et al. 2006; UN 1987). Therefore, sustainability grew as a complex concept that can have subcategories emerging in multiple directions – yet, it is mainly a mixture of human interaction with the environment aiming towards stability and durability, or intra- and inter- generational solidarity. These are broad topics that can stretch to socioeconomic issues like education or even consumerism (Cheney et al. 2004).

The debate has taken off towards many initiatives and research levels, such as the UN 2030 sustainability goals, which aim globally to eradicate poverty and tackle issues such as climate change on a multilateral level (UN 2018). Moreover, research demonstrates that sustainability is about a global framework and a concept of ethics where society participates. This should be targeted not only towards the individual to make more conscious decisions, but also to corporations and governments altogether (Dahl 2012). It can also be stated that each time new policies have to be implemented or

even presented, whether it is on a local level, national level or a multilateral level, it always entails political tendencies (Cheney et al. 2004). In other words, sustainability and its inherent principles have a broad definition, multiple indicators and identifiable processes. Moreover, international technological progress allied to globalisation also contributes to alter and accelerate how sustainability is perceived globally, especially when comparing nations at different development stages. The dynamism in which the world evolves precludes an immediate and strict definition of the term. However, it is possible to find a common ground that identifies sustainability as a stable equilibrium situation, where economic evolution is nevertheless achieved. At the same time, collected resources for production and consumption patterns are maintainable and not extinguished. Notwithstanding, this definition is limited and incomplete. Cheney et al. (2004) from the Institute of the Sustainable Futures (UTS) identify sustainability as more than a constrained environmental perspective.

Rather than simply a discourse of the environment movement or the competing tension between environment and development, sustainability is primarily a discourse of modernity. [...] the original or literal meaning of the term is equivalent to permanence and implies notion of durability, stability and eternalness (Cheney et al. 2004: 225).

The time factor, as well as development stages, is evoked in this excerpt. The notions of permanence and durability in one developed country can be understood differently in an underdeveloped nation. Furthermore, the idea of a developed country can also be questioned, since development criteria vary across nations. In “Sustainability as Social Change” Cheney et al. (2004) argued that the validity of using an economic and environmental discourse concerning sustainability is flawed, since it removes the social component from the equation and further helps to segment the world into developed and underdeveloped sections.

Nevertheless, the principles for Sustainable Development Goals have been agreed upon by the United Nations. The General

Assembly of the United Nations in January 2015 established principles in a resolution defining 17 Sustainable Development Goals with targets to eradicate the world's poverty, hunger and disease, to be achieved by 2030 (UN 2018). Those development goals are deeply allied to the notion of a world where consumption and production patterns are sustainable. The sustainability factor is namely present in the search for affordable and clean energy while ensuring access to sustainable and modern energy for all. The need for sustainable human settlements with responsible consumption and production patterns is also clearly identified in the United Nations Sustainable Development Goals. However, three specific goals (13, 14 and 15) urge climate action to combat climate change, ocean conservation, and the restoration, protection and sustainable use of terrestrial ecosystems to combat land degradation and biodiversity loss (UN 2018). Although the United Nations' targets focus on Sustainable Development, it is possible to conclude that the inbuilt sustainability principles rely on preserving natural ecosystems, as stated below:

the phrase “sustainable development” focuses on economic development as the operative concept. The simple word sustainability, however, implies no presumption of economic development. It implies that the roots of sustainability may be found outside the realms of economic development and may, in fact, preclude them (Ehrenfeld 2005: 23).

On a further note, Ehrenfeld (2005) develops the sustainability discussion, considering that it should be possible to discuss it as a foundation, since “economic development” principles might be incompatible with “sustainability”. Also, when considering natural ecosystems, it is invariably necessary to insert the human component.

Most advocates of sustainable development recognize the need for changes in human values, attitudes, and behaviors in order to achieve a sustainability transition that will meet human needs and reduce hunger and poverty while maintaining the life support systems of the planet.

Values are abstract ideals, such as freedom, equality, and sustainability (Leiserowitz et al. 2006: 414).

In this article (Leiserowitz et al. 2006), the human component is highlighted since human needs as life support systems in relation to land and sea use, such as agriculture and fisheries, are undoubtedly connected to human behaviour. Therefore, the “sustained” intervention without interfering with resources for future generations becomes directly associated with the cultural ideals of freedom, equality and sustainability.

When it came to forming Multilateral Development Banks, such as the World Bank or the EIB for instance, socioeconomic stability has always been the founding and essential goal; but the environmental component of development was added later, from the 1970s onwards (Leiserowitz et al. 2006). The complexity of sustainability requirements upon development thus emerges. In the words of Handl:

However, “sustainable development” represents a bundle of interlocking concepts of vast environmental, socioeconomic, legal and institutional implications. 20 MDBs, therefore, find themselves thrust into the centre of a process in which the formal requirement of abstention from “political decision making” might seem to put them at odds with the normative implications of “sustainable development” (Handl 1998: 643-644).

The author highlights the complexity of sustainability, especially its wide range of subcategories, which necessarily places MDB in a difficult position because of their need to abstain from political influence. Furthermore, this is also true if considering the UN Development Goals, that consist of various sectors’ team effort and multiple forms of aid and development cooperation. One could ponder whether, if the guidelines were simplified, it would impact positively on the outcome of these institutions’ implementation of the goals. Moreover, as Sustainable Development has shaped itself into a broad concept, it has also created grey areas within the field of international cooperation. The MDB work for

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Sustainable Development often via Development Aid or even Humanitarian Aid, leaving academics to analyse the terminology used and to compare processes (Baumann et al. 2020).

Multiple MDB have highlighted the UN's Sustainable Development Goals as a stable policy movement towards permanent green deal advocacies. The EIB representing the EU has taken the lead in Green Bonds and implementing EU's green deal policies, displaying itself as the Green Bank of the EU (the EIB 2019). However, looking closer into its own due diligence, the EIB has not fully complied with its own protocols, as many NGOs in the environmental field have demonstrated that poor decisions in the energy sector did not provide decreased green house emissions, rather it was the opposite, as in the case of North Spain. This led to lean on the Aarhus regulation to force the EIB to publicise its details (Client Earth Organisation 2019; EU 2021a). In addition, the EIB has also proceeded with two loans to finance a gas pipeline in Azerbaijan, thus backing fossil fuel based alternatives. Moreover, this meant questioning its sustainability status quo and EU human rights status, as the Azerbaijan government has been under accusations on severe human rights violations (Hasanov et al. 2020). On the other hand the EIB took stance globally to provide assistance under the Covid-19 pandemic, from SME's support to actual vaccines. However, this was criticised to be long over due and slightly forced, rather than actually having a developed preparedness plan for crisis relief. This is also highlighted by Houghton and Mendez (2020) stating that the MDB have the capacity to become frontrunners in pandemic relief for instance. On the contrary, in the emerging market sector, the MDB for the BRICS, the NDB, has chosen a different path. By joining hands the BRICS now fully enjoy increasing political and economic affluence without the pressure of western ideals. Interestingly, the NDB has aligned itself to cooperating with the UN socioeconomic working group and quickly issued also a Covid-19 response for a significant USD 10 billion package (The NDB 2020; UN 2018b). However, very little is known from the

projects and outcomes that matter. Thus transparency could be questioned again.

Comparing the two development banks, the EIB and the NDB, the core difference emerging can be found within the organisational structure itself (Pelamo 2021). The EIB falls under the regional management of the EU, whose shareholders are also the representatives of the EU, sharing the developing history of the EU's enlargement over the last 60 years. The NDB is rather new (The NDB 2021), but managed by the core members themselves under their own values. As emerging market representatives they have gained significant economic stance over the years as leading nations. However, comparing sustainability, both have green advocacies but only linear concrete curriculums to show. Also, according to the AAA Agenda (GA 2015) and the SDG Agenda itself (UN 2017), MDB are expected to encourage financial mechanisms investing in developing nations to also target sustainability. Crucially, sustainability is still a relatively new concept in multilateral cooperation and developing projects, raising a very broad spectrum of issues to be answered to.

CONCLUSION

This article departed from questioning the role of MDB with reference to Humanitarian Aid and Development Aid, bearing in mind the connections between both, and with a special focus on extant development aims, notably tackling poverty (both critical and long-term), while abiding by sustainability principles. Historically MDB emerged as part of the Bretton Woods consensus but also with some organisational pliability, given their relative distance from politics, in favour of a more technocratic and financial oriented perspective, which also entails a certain similarity with the corporate sector. However, it has also been pointed out that decision-making procedures distribute power according to the financial strength of the members (the States) which, together with political

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goals, comes to burden the MDB with a rather normative agenda. More recently, a new pattern has emerged, especially in the context of the BRICS and with the NDB, the focus of which seems to be profitable investment, and the internal distribution of power being more even.

MDB have at times contributed directly to Humanitarian Aid, notably in the framework of the Covid19 crisis, which forced them to create emergency packages and step in a humanitarian process that included financial relief programs. This is particularly true for the EIB, acting for the first time at this level, and possibly on an ad hoc basis in the future as well. The Development Aid agenda and ways for tackling poverty are a more complex debate. Development economists such as Bauer and Moyo as well as Bräutigam argue that development programs without clear ending date provoke the increase of poverty by systematising the aid itself, and thus the clear lines for distinguishing Humanitarian and Development Aid can be blurry underneath the legal framework, autonomy never or hardly emerging, on the side of the receivers. In the case of the EIB for instance, the redrafted Cotonou Agreement will dictate how the concept of donor-recipient will actually work in the future, given the known shortcomings.

Several problems concerning sustainability have also been identified, such as lack of transparency and openly informing on choices made within the energy field, for example. Transparency on on-going projects and ex-post assessment of impacts upon the actual development and sustainability of societies where projects were undertaken would greatly help in fostering the action of MDB themselves, their public visibility and indeed open the debate. Their mandate's success greatly depends on its timeframe and equal contractual framework, meaning each MDB has the influence to choose humanitarian values within the outcomes. This said the important financial role of MDB worldwide should be reckoned and, together with it, the necessity to further study their potential and their actual contribution to humanitarian values and sustainable development.

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