

UNIT – 7 – BANKING - New Development Bank (NDB)

Formation of New Development Bank (NDB)

The idea for creation of the New Development Bank was first mooted in the Fourth BRICS Summit at **New Delhi on March 29, 2012** to meet the development funding requirements of the five founding countries namely Brazil, Russia, India, China & South Africa (BRICS) and other emerging economies and developing countries as well.



On July 15, 2014 at the sixth summit in **Fortaleza, Brazil** the member countries signed the Articles for the New Development Bank with an **Authorized Capital of USD 100 billion**. The founders established the Bank with a purpose of mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, complementing the existing efforts of multilateral and regional financial institutions for global growth and development. To fulfill its purpose, the Bank was envisaged to support public or private projects through loans, guarantees, equity participation and other financial instruments. It shall also cooperate with international organizations and other financial entities, and provide technical assistance for projects to be supported by the Bank. **The first Board of Governors** meeting of the Bank was held in **Moscow, Russia on July 7, 2015** where the Bank formally came into existence as a legal entity. **Mr. K.V. Kamath** was elected the first President of the Bank and the Vice-Presidents were appointed by the Governors.

Sustainable Development of NDB:

The 21st century has brought with it tremendous development. However, this progress has been skewed, insufficient & often harmful to our environment. We are committed to be a partner in bringing about sustainable development. We are looking forward to partner with initiatives that drive growth and employment while ensuring environmental protection.

Infrastructure of NDB:

Infrastructure development is the key driver of economic and social growth. In the context of developing nations, infrastructural deficiencies are a matter of concern. We, at NDB, strive to identify the gaps between 'needs' and 'funding'. Our mission is to bridge these gaps and be a partner in bringing about truly holistic development.

Changing the course of development

The New Development Bank is instituted with a vision to support and foster infrastructure and sustainable development initiatives in emerging economies. The Bank will also complement the efforts of other existing financial institutions to realize the common goal of global growth. To accomplish our holistic objectives we work with an attitude to 'listen, learn, collaborate, innovate'.

Difference

The New Development Bank comes with a very open mindset. Like the economies we look forward to partner with, we too are on the development curve. We understand the challenges and needs of borrowing partners. This gives us the ability to structure our offerings and processes accordingly. We aim at addressing the needs of developing economies in today's context and partner with them.