

New Development Bank (NDB)

INTRO:-

Member → 5 (Brazil, Russia, India, China, South Africa)

- NDB referred as "BRICS Development Bank .
- Multilateral development Bank
- Bank support public and private projects through loans, guarantees, equity participation.
- **Formation** → July 2014 (signed Treaty) Sixth BRICS summit on Fortaleza, Brazil
 - July 2015 (come in force)
 - In 2018 the NDB achieved observer status at UNGA
- **Type-** Internal Financial Destination
- **Headquarter** – Shanghai, China
- **Capital** - \$10 billion.
- 1st regional office NDB is in South Africa.
- 2nd Regional office was established in 2019 in Brazil.
- **AIM-** Contribute to development places established nationally through projects that are socially, economically, and environmentally sustainable.

HISTORY:

- Idea for setting up bank given by India at 4th BRICS summit in 2012 held in Delhi.

Organs :-

- Board of Governor
- Board of Director
- President and Vice President

1st President of NDB was India's K.V. Kamath.

2nd Current is Brazil's Marcos Prado / since 20

Objectives:-

- Promote infrastructure and sustainable development projects.
- Established extensive network of global partnership with other multilateral development institutions and national development banks.
- Build a balanced project portfolio giving a proper respect to their geographic location, financing requirements, and other factors.

Achievements:

- As of November 2020, it had approved projects totaling \$21 billion in five BRICS nations in the areas of clean energy, urban development, social infrastructure, water resource management, and environmental efficiency.
- Local currencies are used as the denominator in 27% of bank project approvals. NDB has received favourable ratings from rating agencies.

- NDB pledged a \$10 billion Emergency Assistance Program for its members to help combat the epidemic and its effects during COVID-19.

Concerns :-

- The project's financing in this way is not environmentally sustainable. The trans-Amazonian highway project in Brazil, for instance, would negatively impact the ecologically fragile Amazon forest.
- In general, the bank's use of borrowing for projects that it approved violates socio-environmental standards. It must be ensured that environmental harm does not outweigh project advantages economically. (Balancing efforts for the environment and social good)

Investment in India by NDB :-

- Emergency assistance program in combating COVID -19
- Mumbai urban transport project – Phase 3
- REC Renewable energy sector development project
- Indore metro rail project
- Manipur water supply project
- Assam bridge project
- Mumbai metro rail project
- Madhya Pradesh bridge and road project
- Meghalaya eco tourism infrastructure development project
- Sustainable low carbon rail infrastructure program