

New Development Bank
Policy on Partnerships with National Development Banks

Owner: Strategy and Partnerships Division

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Change Log

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28 Dec 2015		New policy

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Policy on Partnerships with National Development Banks

Abbreviations

NDB	New Development Bank
MoU	Memorandum of Understanding
PPPs	Public-private partnerships

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A. Introduction

Article 3 (ii) of the Articles Agreement of the New Development Bank (NDB) authorizes the Bank “to cooperate as the Bank may deem appropriate, within its mandate, with international organizations, as well as national entities whether public or private, in particular with international financial institutions and national development banks”. Article 2 of the Memorandum of Understanding (MoU) signed in Ufa, Russia, in July 2015 by the Development Banks of Brazil, China, India, Russia and South Africa states that “The Parties agree to promote cooperation with the New Development Bank and to take coordinated steps towards forming a mutually beneficial partnership with this new financial institution”. This policy provides a general framework for NDB’s cooperation with members’ national development banks.

Partnerships with national development banks will allow the NDB to benefit from their experience and expertise, especially during the Bank’s implementation and consolidation phases.

B. Eligible National Development Banks

The list of banks covered by this policy will include any government-owned financial institution which the member country government would like to nominate as well as the institutions that signed the MoU in Ufa and that have been participating in the BRICS Interbank Cooperation Mechanism.

C. Areas for cooperation

Guided by the Articles of Agreement of the NDB, existing international banking principles, all applicable laws and regulations, and principles of equality, mutual benefit, responsible financing, partnership and balance of interests, NDB intends to cooperate with members’ national development banks, to the extent it is within its mandate, mission, policies and procedures, in the areas of infrastructure and sustainable development projects and any other areas of mutual interest. NDB intends to cooperate with the national development banks in mobilizing resources for infrastructure and sustainable development projects in its member countries.

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D. Forms of cooperation

NDB will promote cooperation with the development banks of its member countries and endeavor to form mutually beneficial partnerships with them. NDB intends to engage in the following forms of interaction with the development banks in the areas of infrastructure and sustainable development, as well as other areas of mutual interest:

- Financing and co-financing of projects;
- Lines of credit, including two-step or back-to-back loan facilities;
- Currency, interest rate swaps and other derivatives;
- Issuance of bonds;
- Joint programs for project finance;
- Exchange of personnel and other cooperation in human resource management;
- Public-private partnerships (PPPs) at sovereign and sub-sovereign levels;
- Information sharing on potential projects and mechanisms for project monitoring;
- Development of effective and sustainable financing solutions for projects of mutual interest
- Guarantees and counter-guarantees to secure obligations;
- Investment funds to finance projects in priority sectors;
- Experience and knowledge sharing in the area of technical assistance for the preparation and implementation of development projects;
- Joint organization of publications, conferences, round tables, and other events;
- Experience and knowledge sharing in the development of policies and procedures relating to environmental & social standards and procurement;
- Regular dialogue and meetings.

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In September 2015, NDB and BNDES signed a MoU establishing a framework for cooperation between the two institutions. NDB will endeavor to conclude similar instruments with other development banks of member countries.

E. Review of the Policy

NDB will pursue this policy during the first year of operation. Thereafter, as needed, NDB may review and modify the policy based on the evolution of the Bank and experience gained in implementing the policy.