



7th Annual Meeting of NDB

Why in News?

Recently, the Union Minister of Finance & Corporate Affairs and India's Governor for the [New Development Bank \(NDB\)](#) chaired the 7th Annual Meeting of Board of Governors of NDB (New Development Bank).

- The meeting was also attended by Governors/Alternate Governors of Brazil, China, Russia, South Africa and the newly joined members Bangladesh and United Arab Emirates (UAE).
- Theme for the Annual Meeting was **“NDB: Optimising Development Impact”**.

What are the Highlights of the Meeting?

- The Finance Minister (FM) underscored the **importance of multilateralism and the spirit of global cooperation for economic recovery**.
- In this regard FM acknowledged that the **NDB has successfully established itself as a reliable development partner** for [Emerging Market Economies](#).
- Highlighting that India is celebrating 75 years of Independence this year, the Union Finance Minister mentioned that **India's economic growth in the current financial year has been robust and is estimated to be 8.9 %** which is the highest among all large economies.
 - This reflects **India's strong resilience and speedy recovery**.
- The FM expressed **confidence that India will continue to achieve a high growth rate** in the current and next financial year.

What is New Development Bank?

- **About:**
 - It is a **multilateral development bank jointly founded by the BRICS countries** (Brazil, Russia, India, China and South Africa) at the 6th BRICS Summit in Fortaleza, Brazil in 2014.
 - It was formed to support infrastructure and sustainable development efforts in BRICS and other underserved, emerging economies for faster development through innovation and cutting-edge technology.
 - It is **headquartered at Shanghai, China**.
 - In 2018, the NDB received observer status in the [United Nations General Assembly](#), establishing a firm basis for active and fruitful cooperation with the UN.
- **Objectives:**
 - Fostering the development of member countries.
 - Supporting economic growth.
 - Promoting competitiveness and facilitating job creation.
 - Building a knowledge sharing platform among developing countries.

UPSC Civil Services Examination, Previous Year Questions

Q. Consider the following statements: (2016)

1. New Development Bank has been set up by APEC.

2. The headquarters of New Development Bank is in Shanghai.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (b)

Exp:

- The New Development Bank (NDB) was formerly referred to as the BRICS Development Bank.
- It is a multilateral development bank established by the BRICS states (Brazil, Russia, India, China and South Africa). **Hence, statement 1 is not correct.**
- The bank is headquartered in Shanghai, China. **Hence, statement 2 is correct.**
- During the sixth BRICS Summit in Fortaleza (2014), the New Development Bank (NDB) was established by the Fortaleza Declaration to strengthen cooperation among BRICS and supplement the efforts of multilateral and regional financial institutions for global development.
- It had an initial authorized capital of US\$ 100 billion, with an initial subscribed capital of US\$ 50 billion, equally shared among founding members.

Q. The 'Fortaleza Declaration', recently in the news, is related to the affairs of (2015)

- (a) ASEAN
- (b) BRICS
- (c) OECD
- (d) WTO

Ans: (b)

Exp:

- Fortaleza Declaration was proclaimed in the 6th BRICS summit in 2014. It included:
 - Agreement for setting up the New Development Bank (NDB) with \$100 billion corpus, which will distribute the funds equally among all the BRICS nations for mobilizing resources for infrastructure and sustainable development projects in BRICS.
 - BRICS Contingent Reserve Arrangement (CRA) with an initial size of \$100 billion to tackle short-term liquidity demands.
- **Therefore, option (b) is the correct answer.**

[Source: PIB](#)

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