

**GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4300

ANSWERED ON:02.05.2012

SETTING UP OF BANK BY BRICS NATIONS

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Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) the discussions held/decisions taken/ agreements signed on checking of terrorism, nuclear programmes and multilateral loan facility at the recently held BRICS Summit in New Delhi;
- (b) the timeframe prescribed for the implementation of the decisions taken at the said Summit;
- (c) the benefits likely to accrue to India and the extent to which trade among BRICS nations would improve on implementation of the decisions taken at the Summit;
- (d) whether the BRICS nations have decided to examine the viability of a development bank for developing countries and if so, the details thereof including the modalities worked out in this regard;
- (e) whether any BRICS nation has opposed this move and if so, the details thereof alongwith the alternative suggested by that nation in this regard;
- (f) whether the Government has examined the feasibility of a multilateral agency modelled on the lines of the World Bank or the Asian Development Bank to generate resources for funding infrastructure and core sector projects in the BRICS nations as well as other emerging economics; and
- (g) if so, the details and the outcome thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRIMATI PRENEET KAUR)

(a) & (b) At the 4th BRICS Summit held in New Delhi on 29 March 2012, the Leaders reaffirmed determination to strengthen cooperation among BRICS countries in countering terrorism with the United Nations having a central role in coordinating international action against terrorism and within the framework of the UN Charter and in accordance with principles and norms of international law. The Leaders emphasized the need for an early finalization of the draft of the Comprehensive Convention on International Terrorism and its adoption by all UN Member States. In the context of nuclear energy, the Leaders emphasized that international cooperation in the development of safe nuclear energy for peaceful purposes should proceed under conditions of strict observance of relevant safety standards and requirements concerning design, construction and operation of nuclear power plants. The Leaders also stressed the essential role of International Atomic Energy Agency [IAEA] in the joint efforts of the international community towards enhancing nuclear safety standards. As regards multilateral loan facility, the Leaders called upon the World Bank to give greater priority to mobilising resources and meeting the needs of development finance while reducing lending costs and adopting innovative lending tools. The Leaders also considered the possibility of setting up a new BRICS-led Development Bank for mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries and directed their Finance Ministers to examine the feasibility and viability of this initiative and report back at the next Summit.

(c) India attaches high importance to its engagement with BRICS as a platform for coordination, consultation and cooperation on contemporary issues having global as well as regional significance, as well as issues of political and economic global governance. The Action Plan endorsed at the Summit covers a wide-ranging agenda of coordination and cooperation amongst BRICS in taking intra-BRICS cooperation forward in a number of sectors including in Agriculture, Health, S&T, trade & investments, renewable energy resources as well as on energy efficient and environmentally friendly technologies, urban infrastructure development, etc. BRICS members possess wealth of knowledge, know-how, capacities and best practices that we can share with each other and build meaningful cooperation to mutual benefit for our peoples. Two Agreements,

(i) Master Agreement on Extending Credit Facility in Local Currencies, and

(ii) BRICS Multilateral Letter of Credit Confirmation Facility Agreement signed at the Summit by BRICS EXIM/Development Banks are enabling agreements subject to national country regulations having the potential to enhance cooperation amongst the BRICS Development Banks, reduce intra-BRICS trade transaction costs, and promote intra-BRICS trade.

(d) to (g) BRICS nations have agreed to examine the feasibility and viability of setting up a new Development Bank for mobilizing

resources through recycling surplus savings for infrastructure and sustainable development projects in BRICS and other developing countries. The BRICS Finance Ministers will examine this initiative further and report their findings at the next Summit.