

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3402
ANSWERED ON:01.08.2014
BRICS DEVELOPMENT BANK
Rao Shri Rayapati Sambasiva

Will the Minister of FINANCE be pleased to state:

- (a) whether Brazil, Russia, India, China and South Africa (BRICS) have set up/propose to set up BRICS Development Bank;
- (b) if so, the details thereof along with the objectives behind setting up of such Bank;
- (c) the benefits likely to accrue to India on establishment of the said Bank; and
- (d) the time by which the said Bank is likely to be set up and operationalised?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

(a): Yes Madam. In the Summit held in Fortaleza, Brazil on July 15, 2014, BRICS countries have decided to set up a New Development Bank.

(b): The BRICS nations have signed the agreement to establish the New Development Bank. The designated signatories of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa signed the Inter- Governmental Agreement on July 15, 2014 at Fortaleza Brazil, to establish the New Development Bank.

The major objectives behind setting up this Bank are as under-

- (i) to utilize resources at its disposal to support infrastructure and sustainable development projects, public or private, in the BRICS and other emerging market economies and developing countries, through the provision of loans, guarantees, equity participation and other financial instruments;
- (ii) 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;
- (iii) to provide technical assistance for the preparation and implementation of infrastructure and sustainable development projects to be supported by the Bank.

(c): The Bank will be an additional source of long term finance for infrastructure projects in India. In addition such a Bank will also be instrumental for increasing economic cooperation among BRICS countries, which will ensure more productive use of resources among BRICS countries including India.

(d): The Bank will be established after each signatory country has deposited with the government of the Federative Republic of Brazil an instrument setting forth that it has accepted, ratified or approved this Agreement in accordance with its own laws.