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New Development Bank and International Investment Bank Sign Memorandum of Understanding to Develop Cooperation

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[New Development Bank](#) and International Investment Bank signed today Memorandum of Understanding to develop mutually beneficial cooperation between the two institutions. The MoU was signed by Mr. Paulo Nogueira Batista Jr., NDB Vice President and Chief Risk Officer and Mr. Denis Ivanov, Deputy Chairman of the IIB Board, on the sidelines of the NDB Second Annual Meeting in New Delhi, India. The IIB was among five international development institutions, including the AIIB, EBRD, EIB and the Eurasian Development Bank, with which the NDB has concluded similar memorandums.

According to the Memorandum, the NDB and IIB will develop sector and thematic level collaboration in areas of mutual interest, including infrastructure development and sustainable development projects in renewable energy, energy efficiency, clean transportation and other areas. The two banks will endeavour to promote co-financing and other forms of joint participation in financial assistance for development projects and engage in other initiatives, including capacity building, research and knowledge exchange.

"Signing of this Memorandum of Understanding will allow us to generate synergies for the benefit of the regions where we both operate. NDB is committed to be a partner in bringing about sustainable development to drive growth and employment while ensuring environmental protection. We look forward to working together to address the world's huge infrastructure needs," said Mr. **Paulo Nogueira Batista Jr.**

"We are confident that NDB and IIB could greatly benefit from mutual cooperation at the strategic, operational, and technical levels and become a good example of how international financial institutions could partner", said Mr. **K.V.Kamath**, the President of the NDB. *"NDB strives to be closer to the needs our members and to respond quickly and flexibly. We believe that partnerships with key national and global institutions are essential for us in order to provide the best possible products and services to our members,"* added Mr. K.V.Kamath.

"The Memorandum sets out areas for strategic cooperation between the IIB and the NDB towards the achievement of sustainable development and inclusive growth in countries of common interest. It further diversifies options for bolstering our global partnership and joint activities, including project co-financing, treasury management cooperation and funding of green initiatives, like the construction of hydropower generation plants in the north-west of Russia," stressed Mr. **Denis Ivanov**.

Reference:

The New Development Bank was created with an objective of financing infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries. The Bank will complement the efforts of other financial institutions and establish a network of global, regional and local partnerships with multilateral and national development banks as well as other institutions and market players.

The NDB Second Annual Meeting is held in New Delhi, India. During the meeting, the management of the Bank provided an update on its work. In 2016, the Board of Directors of the Bank approved loans involving financial assistance of over USD 1.5 bln for projects in the areas of green and renewable energy, and transportation. All projects are coherent with the Bank's mandate of supporting infrastructure and sustainable development projects. The approved projects will support the creation of about 1500 MW of renewable energy capacity and are estimated to result in the reduction of greenhouse gas emissions by over 4 million tons per year.

In July 2016, the NDB issued its green financial bond in the China onshore interbank bond market. The size of the issue is RMB 3 billion (USD 449 million). The bond has a five-year term and nominal interest rate of 3.07%. The NDB received an "AAA" institutional rating from China Chengxin Credit Rating and China Lianhe Credit Rating and commenced engagement with international rating agencies.

On 22 July 2016, the NDB Board of Directors approved the project involving the provision of financial assistance of USD 100 million for the construction of two hydropower generation plants with a total installed capacity of 49.8 MW in the Republic of Karelia in the Russian Federation. The Bank will provide the financing through two international financial institutions - Eurasian Development Bank (EDB) and International Investment Bank (IIB) for on-lending to the project.